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Southeast Asia Report

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5 August 1985

SOUTHEAST ASIA REPORT

CONTENTS

FIJI

Mineral Search Rights Withdrawn (THE NEW ZEALAND HERALD, 2 Jun 85).....	1
--	---

INDONESIA

Briefs	
Airports Tighten Security	2
European Stance Criticized	2

MALAYSIA

CPM Said To Finance Operations Through Heroin (Erhard Haubold; FRANKFURTER ALLGEMEINE, 30 May 85).....	3
---	---

NEW ZEALAND

Subsidized EEC Products 'Threatening' Markets in Pacific (THE NEW ZEALAND HERALD, 13 May 85).....	4
Editorial on Value of UK Trade, EEC Access (THE PRESS, 14 May 85).....	6
U.S. Agriculture Marketing Plan 'Dismays' Dairy Board (THE NEW ZEALAND HERALD, 17 May 85).....	8
Editorial Hits U.S. Surplus Agriculture Marketing Plan (THE PRESS, 18 May 85).....	11
High Government Stock Rates Prompt Opposition Concern (THE NEW ZEALAND HERALD, 18 May 85).....	13
Social Credit Changes Name to NZ Democratic Party (THE EVENING POST, 18 May 85).....	15

PHILIPPINES

Strikes Seen as Weapon for Workers' Struggle (Nguyen Van Tu; LAO DONG, 11 Apr 85).....	17
---	----

THAILAND

Columnist Urges Frankness in Shultz Talks (Suttichi Yun; THE NATION, 8 Jul 85).....	19
U.S.-USSR Summit Termed 'Long Overdue' (Editorial; BANGKOK POST, 4 Jul 85).....	22
Paper Comments on Cambodian Proximity Talks (Editorial; THE NATION, 5 Jul 85).....	24
Editorial on SRV Rejection of 'Proximity Talks' (THE NATION, 8 Jul 85).....	26
Academic on 'Wishful Thinking' on Cambodia (M. R. Sukhumphan Boriphat; THE NATION, 1 Jul 85).....	28
Ministers Express 'Guarded Optimism' on Japan (THE NATION REVIEW, 29 Jun 85).....	33
Former Diplomat on 'Secret' Talks With PRC (Anan Panyarachun; THE NATION REVIEW, 24 Jun 85).....	36
More on Former Diplomat's Talks With PRC (Anan Panyarachun; THE NATION REVIEW, 25 Jun 85).....	40
Deputy Premier Comments on Relations With PRC (THE NATION REVIEW, 28 Jun 85).....	45
Editorial on PRC Ties Anniversary (THE NATION, 1 Jul 85).....	47
Editorial Marks Anniversary of Ties With PRC (BANGKOK POST, 1 Jul 85).....	49
Khukrit Assails Government 'Spending Spree' (BANGKOK POST, 4 Jul 85).....	51
Official on Malaysian Extension of Sea Zone (BANGKOK POST, 26 Jun 85).....	54
House Passes Budget Bill After 'Marathon Debate' (BANGKOK POST, 4 Jul 85).....	55
Khukrit Confident on Electoral Motion Approval (THE NATION REVIEW, 27 Jun 85).....	57

Mae Chamoy Chit Fund Scandal, Reportage Continues (BANGKOK POST, various dates; THE NATION REVIEW, 29 Jun 85).....	59
'Influential Figures' Blamed for Collapse	59
More Arrests Expected	60
Police Have Evidence to Charge Chamoy	62
Air Vice Marshal Involved, by Rungruang Prichakun, Phichai Chunsuksawat	63
Client Questions Delay Arrests	64
Athit Orders Chamoy Arrest	64
Chamoy: No Funds to Pay Clients	65
Clients File Charges	67
Editorial on Case	68
Politicians Discuss Khukrit's 'Open Attack' (THE NATION, 4 Jul 85).....	70
ASEAN Stance on GATT Seen (Swadesh R. DeRoy; THE NATION, 3 Jul 85).....	71
Paper on ASEAN Foreign Ministers Meeting (Editorial; BANGKOK POST, 8 Jul 85).....	73
Khukrit Says No Interest in Cabinet Change (THE NATION, 6 Jul 85).....	75
Officials Urges Compromise on Electoral System (BANGKOK POST, 23 Jun 85).....	76
Row Between Minister, Democrat MP's Settled (BANGKOK POST, 26 Jun 85).....	77
Thai Paper Says Sitthi To Discuss Trade 'Slump' (Banyat Tatsaniyawat; BANGKOK POST, 30 Jun 85).....	78
Sitthi on ASEAN Tariff Plans, Vietnamese (BANGKOK POST, 28 Jun 85).....	80
Governor Denies Karens Using Thai Territory (BANGKOK POST, 7 Jul 85).....	82
Only 51 Percent of Budget Spent So Far This Year (BANGKOK POST, 2 Jul 85).....	83
Former Separatist Group Member Surrenders (BANGKOK POST, 2 Jul 85).....	84
Columnist Notes ASEAN Concerns Over Philippines (Chaiwat Yonpiem; SIAM RAT, 16 Apr 85).....	85

Navy Official on Procurement, Training, ASEAN Operations (Sakchai Kaewchinda Interview; CHAT ATHIPATAI, 21-27 Apr 85).....	87
F-16 Aircraft Purchase Still Subject of Controversy (Various sources, various dates).....	90
Payment Impact Noted	90
Finance Ministry Views Issue	90
Athit Calls for End to Criticism	91
Opposition MPs Voice Criticism	92
 Briefs	
High Debt Service Ratio	94
Trade With Gulf States	94
Trade Deficit Forecast	94
Rice Export to Decline	95
Burkina Faso Diplomatic Ties	95
Natural Gas Fields Opened	95
IMF Loans	95

CAMBODIA

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK on 40th Anniversary of UN Charter (Voice of Democratic Kampuchea, 28 Jun 85).....	96
Columnist Views Coalition's Military Cooperation (BANGKOK POST, 28 Jun 85).....	99
Sitthi's Greetings to Khieu Samphan (Voice of the National Army of Democratic Kampuchea, 3 Jul 85).....	101
Sihanouk Hosts Reception for Thai Delegation (THE NATION, 1 Jul 85).....	102
Khieu Samphan Message to Thai Minister (Voice of the National Army of Democratic Kampuchea, 6 Jul 85).....	103
Thai Paper Reports on KPNLF Activities (BANGKOK POST, 30 Jun 85).....	104
VONADK Carries Khieu Samphan Message to Malaysia (Voice of the National Army of Democratic Kampuchea, 29 Jun 85).....	105

VONADK Reports Battle Casualty Figures for June (Voice of the National Army of Democratic Kampuchea, 2 Jul 85).....	106
VONADK Reports Attacks in Kampot, Battambang (Voice of the National Army of Democratic Kampuchea, 29 Jun 85).....	108
CGDK Thanks Countries for UN Seat Support (Voice of Democratic Kampuchea, 29 Jun 85).....	109
Sihanouk Message of Thanks to Thailand's Sitthi (Voice of Democratic Kampuchea, 1 Jul 85).....	111
Malaysian Minister's Greetings to Sihanouk (Voice of Democratic Kampuchea, 25 Jun 85).....	112
Malaysia's Rithaidden Greetings on CGDK Day (Voice of the National Army of Democratic Kampuchea, 24 Jun 85).....	113
Sihanouk's Reply to Khieu Samphan 22 June Message (Voice of the National Army of Democratic Kampuchea, 25 Jun 85).....	114
VODK Editorial Marks CGDK's 3d Anniversary (Voice of Democratic Kampuchea, 22 Jun 85).....	115
VONADK Reports Attacks on Chhlong 21 June (Voice of the National Army of Democratic Kampuchea, 26 Jun 85).....	117
VONADK, VODK Battle Reports for 21-27 June (Voice of the National Army of Democratic Kampuchea, various dates; Voice of Democratic Kampuchea, various dates).....	118
VONADK, VODK Battle Reports for 28 June-4 July (Voice of the National Army of Democratic Kampuchea, Voice of Democratic Kampuchea, various dates).....	120
Briefs	
SRV Annexes Svay Rieng Commune	122
SRV Deserters Oppose Hanoi Draft	122
2 Battambang Villages Reported 'Liberated'	122
Malaysia's Rithaidden Greets CGDK Anniversary	122
Vietnamese Families Settling in Kratie	123
Southern Vietnamese Fleeting Maltreatment	123
Vietnamese Turn Out Hospital Patients	123
Kompong Chhnang Villages 'Liberated'	123

Villagers 'Executed' in Siem Reap	123
Thai Official on Proximity Talks	124
SRV Reinforcements Reported in Kampot	124
Liberation of 20 Battambang Villages	124
Thai Official on SRV Stance	125
Sihanouk Greetings to Shultz	125

PEOPLE'S REPUBLIC OF KAMPUCHEA

Chea Sim Attends Women's Movement Meeting (Phnom Penh Domestic Service, 24 Jun 85).....	126
Commentary Supports Lao Proposal on Border Dispute (Phnom Penh Domestic Service, 2 Jul 85).....	127
Phnom Penh Celebrates Party Anniversary (VNA, 29 Jun 85).....	129
Tang Saroem Hails Solidarity With Vietnam (Tang Saroem Interview; Phnom Penh Domestic Service, 21 Jun 85).....	131
Council of State Decrees Confer Medals, Titles (Phnom Penh Domestic Service, 26 Jun 85).....	133
Leaders Honor Heroes on KPRP Anniversary (Phnom Penh Domestic Service, 28 Jun 85).....	134
KPRAF Successes, Thai Provocations (Phnom Penh Domestic Service, 4 Jul 85).....	135
Bou Thang Visits Units (Phnom Penh Domestic Service, 28 Jun 85).....	136
17-23 June Agricultural Report (Various sources, 17-23 Jun 85).....	137
24-30 June Agricultural Report (Various sources, 24-30 Jun 85).....	139
Greetings to Mozambique Leaders on National Day (SPK, 28 Jun 85).....	142
Briefs	
Red Cross Aid Distribution	143
Week's KPRAF Battle Successes	143
Report on Indochinese Cooperation Meeting	143
Clashes in Battambang Reported	143
Japanese Communist Party Delegation	144

FIJI

MINERAL SEARCH RIGHTS WITHDRAWN

Auckland THE NEW ZEALAND HERALD in English 2 Jun 85 p 2

[Text]

Three major international mining companies have lost their rights to a 500 million ton deposit of low-grade copper and gold at Namosi, about 40 kilometres inland from Suva.

The Fiji Government has decided against renewing their exploration licences because of their failure to continue to work actively on the exploitation of the 8000-hectare prospect.

It has announced that it is prepared to issue licences to other companies willing to mine the deposit.

One possibility is a venture involving China which is having investment discussions with the Government.

The mining companies — the Anglo American Corporation of South Africa,

the Con Zinc Rio Tinto group of Britain and the Preussag group of West Germany — spent nearly \$NZ250 million in testing the prospect.

At one point the Amax group of America was also part of the consortium.

However, work halted 18 months ago when the companies concluded that the copper ore would not be worth mining until there had been a major increase in the price of copper, an event not likely in the foreseeable future.

In other areas of Fiji there is an intensification of gold prospecting. At Vatukoula the Emperor Gold

Mining Co has reported the discovery of a high-grade new prospect. The Western Mining Corporation of Australia is examining two tenements in the island of Vanua Levu and is working with Emperor in the Tavua Basin of Viti Levu.

Another Australian company, Newmont Pty Ltd, is exploring a gold deposit at Savusavu in the island of Vanua Levu and the Placer group of Canada is conducting a study of stream sediments collected from a 300,000-hectare region of Vanua Levu.

Trade Row Warning

NZPA-Reuter Hong Kong
The Malaysian Prime Minister, Mahathir Mohamad, said the trade dispute between the United States and Japan was a threat to Asia.

CS0: 4200/1191

INDONESIA

BRIEFS

AIRPORTS TIGHTEN SECURITY--Jakarta--Communications Minister Rusmin Nuryadin has instructed all airport authorities to further enhance and tighten up security checks on passengers and their baggage to prevent possible undesirable incidents. Speaking to newsmen after reporting to President Suharto at Bina Graha on Wednesday [26 June] about the order, Rusmin stressed that the checks will apply to every passenger, including VIP's. In this regard, Rusmin called on the passengers to understand that the enhancement of security checks may cause inconveniences to the public. Answering questions, Rusmin said that he had issued the order following various incidents involving international flights such as the Air India Boeing 747 crash, the blast at Tokyo's Narita Airport, and a plane hijacking in Beirut. He added that the order was in fact a repetition of his previous instructions. The order is designed to remind authorities to be more vigilant in their duties of facing undesirable incidents. Rusmin gave assurances that the tight checks will not greatly affect flight schedules. However, he advised passengers to arrive early at airports. Answering other questions, Rusmin said that almost all airports in Indonesia, particularly the major and international ones, already have equipment--such as metal detectors, chemical detectors, x-ray detectors, and so on--to check passengers and baggage. [Excerpt] [Jakarta BERITA BUANA in Indonesian 27 Jun 85 p 1]

EUROPEAN STANCE CRITICIZED--The chairman of the Parliamentary Functional Group Faction, Sukardi, has said that no country has the right to judge the legal process and legal decisions of another country by its own criteria. Sukardi was delivering his statement to newsmen in Jakarta today in response to a European Parliament resolution criticizing the death sentences imposed on leaders of the 30 September Movement of the Indonesian Communist Party [PKI]. According to the chairman, Indonesia, as a Pancasila state, will not easily execute convicts whose offenses are less serious than those committed by the PKI. The PKI has committed too serious a treason by kidnapping and murdering army generals later known as revolutionary heroes. He added that the execution of implicated PKI members is entirely Indonesia's internal affair. Sukardi stressed that European Parliament members should have first thoroughly studied Indonesia's legal process and judged it by the law in force in Indonesia. He said that the criticism was partly attributed to the possible existence of certain groups trying to discredit Indonesia internationally because of developmental success in the country. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 28 Jun 85]

CSO: 4213/268

MALAYSIA

CPM SAID TO FINANCE OPERATIONS THROUGH HEROIN

Frankfurt FRANKFURTER ALLGEMEINE in German 30 May 85 p 7

[Article by Erhard Haubold: "'Dadah' Smuggling Punishable by Death--Draconian Measures Against Heroin Addiction in Malaysia--Drug Laboratories in Communist Partisan Camps?"]

[Excerpt] It appears to be the general consensus inside and outside Parliament that heroin smuggling is more dangerous than the communist guerrillas and must be fought with similarly drastic measures. Government experts point out "built-in safeguards" of the new law: after 5 years it must be passed by Parliament again, and before any imprisonment the responsible minister of the interior must examine two reports, one by the police and one by an independent body.

The new policy in the fight against "Dadah" also includes greater cooperation with the neighbor in the north, Thailand, particularly in the border area. There the illegal Malay Communist Party (CPM) is said to be running heroin kitchens and, apparently having been largely left in the lurch by China, to be financing their partisan struggle with the income from them. Of course, whether it is possible to cope with the heroin problem in Malaysia with such measures in a lasting way remains to be seen.

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CSO: 4620/42

5 August 1985

NEW ZEALAND

SUBSIDIZED EEC PRODUCTS 'THREATENING' MARKETS IN PACIFIC

Auckland THE NEW ZEALAND HERALD in English 13 May 85 p 8

Heavily subsidised Irish butter and European beef are threatening New Zealand's traditional markets in the Pacific.

The butter and beef have been sighted on supermarket shelves from South-east Asia to North America, and New Zealand exporters are frantically trying to estimate to what extent established and new markets are under threat.

The issue will be aired at the Pacific Basin Economic Council, which is meeting in Auckland this week, and New Zealand appears assured of sympathetic hearing.

Access Varies

The senior vice-president of Federated farmers, Mr Brian Chamberlain, said yesterday that the Pacific had become a critical market for New Zealand's agricultural exports because of European Economic Community restrictions.

Access for New Zealand products varied from nation to nation within the Pacific basin, he said, with the United States being one of the easiest nations to export to.

Efforts to boost exports were being thwarted by "Kerrygold" Irish butter, which had been appearing on supermarket shelves around the Pacific and EEC "intervention beef," which had found its way into North America and was already forcing down the price of New Zealand beef.

Both products were heavily subsidised, said Mr Chamberlain.

He said Federated Farmers was still trying to gauge the extent of competition from these sources and estimate the potential damage on New Zealand's own farm exports.

Delegates at the Pacific Basin conference would be brought up to date on the matter and asked to give New Zealand products fair treatment against the Government-subsidised products of other non-regional nations.

"Not Fair"

The United States Ambassador at large in the Pacific, Mr Richard Fairbanks, said; "It is certainly one of the things we would like to see addressed multilaterally, because you cannot continue to have open market access to markets such as ours when our people believe others are not playing fair."

As the largest agricultural producer in the world, the United States shared New Zealand's desire to liberalise access for agricultural and food products under the General Agreement on Tariffs and Trade.

He said the United States favoured an early setting of the next round of Gatt talks.

The international president of the economic council. Mr Frederick Whittemore, said there ought to be an early round of new trade talks and they ought to include agriculture and food services.

He said the council was the most important place where people could try to maintain the principle of free trade and stop protectionism.

CSO 4200/1133

NEW ZEALAND

EDITORIAL ON VALUE OF UK TRADE, EEC ACCESS

Christchurch THE PRESS in English 14 May 85 p 18

[Editorial: "Reminder to Britain"]

In reminding British people that they should buy New Zealand goods, the New Zealand High Commissioner to Britain, Mr Joe Walding, was doing the sort of thing high commissioners and ambassadors are supposed to be doing to assist their countries' trade. In saying that trade was a two-way street, he was repeating the standard argument used by those who want more trade. Nevertheless, it would be a mistake to regard his comment as nothing more than a statement of the obvious. Britain has such a special place in New Zealand's trade that it is important to look at that trade frequently and freshly. The trade has been important historically because, for about the first 100 years since European settlement, New Zealand did little more as an exporter than send its produce in bulk to Britain. When Britain joined the European Economic Community, New Zealand was stimulated to diversify its marketing substantially. At present, Britain is important both as a market and supplier of goods in itself and because it argues New Zealand's case for exports to the E.E.C., which as a whole is New Zealand's biggest export market. No other country has had such a profound impact on New Zealand's trade.

It is not true that New Zealand gave no thought to diversification of markets until Britain applied to join the E.E.C. The last bulk commodity contract with Britain was in the mid-1950s. Between 1938 and 1960 the percentage of New Zealand's total exports which went to Britain fell from 84 per cent to 53 per cent. By 1970 it was down to 35 per cent. Britain joined the E.E.C. in 1973. By 1980 Britain took only 14.4 per cent of New Zealand's total export. Last year Britain took only 10.2 per cent. Japan, which in 1960 took only 2.9 per cent of the country's exports, took 15.2 per cent during 1984.

These have been dramatic changes. New Zealand had to learn to find its feet in the world trading scene and part of its progress to economic maturity has been making itself independent of the British market. Last year the E.E.C. as a whole took 19.6 per cent of New Zealand's total exports. This amounted to produce worth \$NZ1691.9 million. Japan took produce last year worth \$NZ1311 million.

New Zealand relies heavily on Britain to present the arguments for continued New Zealand access to the E.E.C. The next important negotiations with the E.E.C. will be next year, probably beginning about August, when consideration will be given to access for butter after the end of 1986, New Zealand's present arrangement with the E.E.C. is to sell decreasing amounts of butter each year. The E.E.C. entered into a five-year arrangement with New Zealand to take butter but the last two years of the five-year arrangement did not have the amounts specified. The negotiations next year, for which New Zealand will rely on the E.E.C. as much as ever, will be for the last two years.

New Zealand has a voluntary restraint agreement with the E.E.C. over sheepmeat for the supply of 245,500 tonnes a year. That agreement includes an arrangement to treat France and Ireland as sensitive market, meaning that New Zealand must be very restrained about selling lamb in these markets. All of these trading compacts have to be maintained, sometimes nursed. Britain is not the only E.E.C. member which is of assistance to New Zealand, but its value would be hard to overestimate.

CSO 4200/1133

NEW ZEALAND

U.S. AGRICULTURE MARKETING PLAN 'DISMAYS' DAIRY BOARD

Auckland THE NEW ZEALAND HERALD in English 17 May 85 p 1

An American plan to effectively dump \$4.4 billion worth of agricultural commodities on to world markets was announced in Washington yesterday and was greeted with dismay by the New Zealand Dairy Board.

If they go through with this threat then we cannot fail to be hurt," said the manager of the Dairy industry information Service, Mr Neville Martin.

"We will need all the friends we have got in the United States," he said, raising the prospect that previous goodwill towards New Zealand might well have been eroded by the row over the Government's ban on nuclear ship visits.

However, the Minister of Overseas Trade and Marketing Mr Moore, last night took a more sanguine view of the announcement by the United States Secretary of Agriculture, Mr John Block.

\$US2b Gifts

Mr Moore said it was plain that the war of words between America and Europe over agricultural trade had come to a head and that the United States would make good its dumping threat.

But New Zealand could rely on Dairy Board expertise and American assurances of support to avert serious repercussions.

Under the dumping plan announced by Mr Block, America will reduce its huge Government-owned stocks of grain, rice and dairy products by giving \$US2 billion worth to overseas buyers who agree to purchase other American agricultural products.

Mr Block said the Agriculture Department would announce the first subsidised sales under the three-year scheme by June 1.

Although he did not say where the commodities would be shipped, other officials said Morocco, Egypt and Iraq were among potential recipients.

"The European Community is not going to like it but I don't think they can say a whole lot," said Mr Block "They use export subsidie ever day."

In Wellington, Mr Martin said it was plain the United States was ready to bring massive pressure to bear on European states, particularly France, in its efforts to break down subsidised agricultural production.

"They are apparently prepared to get heavy to bring these guys to heel," he said.

But it was equally plain the Europeans would not "sit and whistle" in the face of such action.

"And what that will mean to dairy prices, heaven knows."

Mr Martin said it was too early to quantify the effects on New Zealand because it was not yet known how much of its dairy product stockpile the Americans were prepared to dump.

But stocks of 50,000 tonnes of butter, 250,000 tonnes of milk powder and 400,000 tonnes of skimmed milk powder were available to be given away.

"These are megacommodities which would obviously rock the boat very seriously," he said, questioning whether the United States was prepared to effectively collapse world markets to makes its point in Europe.

Target

Mr. Martin said he did not doubt the America action was aimed at Europe rather than New Zealand.

But he added: "It is more likely to hurt us than them in the final analysis."

The American proposal still needed congressional approval, said Mr Martin, and it remained to be seen whether New Zealand's foreign policy would affect a vote on the scheme.

"Obviously, it might. One clearly hopes it will not," he said.

At Risk

Mr Martin said New Zealand markets in Iran and North Africa were apparently directly at risk from American dumping, while European retaliation might damage other established markets.

Mr Moore said he understood the American Administration already had adequate powers to follow through with its threatened action without further reference to Congress.

But the problem was one with which New Zealand was well familiar, he said.

"There is no new threat," he said. "It is just the same old threat that has sat there."

The United States had also previously lived up to its assurances to take New Zealand trade interests into account before dumping goods "and we have no reason to believe American policy has changed at all."

Inescapable

Mr Moore said an open conflict between the United States and Europe now seemed inescapable.

"I think they [the Americans] are going to get rid of their product. It is costing them a fortune and it is in their interests to do so," he said.

"What we have to do is make sure that that product does not go to places where we would be materially damaged.

"The Americans have a phrase "damage limitation" and we will use all our skills and those of our Dairy Board people to limit whatever damage comes out of it."

Some dumping either by European countries or the United States, might actually benefit New Zealand by taking pressure off stockpiles and creating a taste for dairy products in previously untapped markets.

Mr Moore said he was 100 per cent certain New Zealand was no more at risk now than before the Anzus conflict arose.

If anything he said, the United States was now more cautious in taking action which was potentially contrary to New Zealand interests in order to avoid being seen to retaliate against the Government's ban on nuclear ship visit.

CSO 4200/1133

NEW ZEALAND

EDITORIAL HITS U.S. SURPLUS AGRICULTURE MARKETING PLAN

Christchurch THE PRESS in English 18 May 85 p18

Although the full details of what the Agriculture Committee of the United States Senate hopes to do with surplus agricultural production are not yet known, the main intentions and some of the reasons for them are clear. In brief, the Agriculture Committee would have the United States sell its stored surplus agricultural production cheaply on various markets and provide various incentives for countries to buy it. The United States Secretary of Agriculture, Mr John Block, has been quoted as saying that all commodities now owned by the Government were eligible for the programme. The United States Government holds more than a billion tonnes of surplus nonfat, dry milk, 700 million pounds of surplus cheese and 276 million pounds of surplus butter. The appearance of such quantities of dairy produce on world markets, even spread over a three year period, would cause havoc with New Zealand's exports of dairy produce. This provides real cause for concern if the programme is going to be put into action.

How likely it is that the programme will be adopted is difficult to say. Mr Block appears confident because he says that the first subsidised agricultural sales will take place on June 1. The proposal has yet to clear the House of Representatives, the Senate, and the President. Presumably, Mr Block would not be so definite unless he had something firm to go on. Suggestions have been made in the past that the United States would dump its surplus dairy production on world markets; its withdrawal from the International Dairy Arrangement has enabled it to sell at whatever prices it wishes. It would seem improbable that the United States would decide against dumping dairy produce as well as the surplus grains and rice that it holds.

The immediate external reason for the proposal is American loss of patience with the European Economic Community's subsidisation of its agricultural produce. The immediate domestic reason appears to be a deal worked out between the Reagan Administration and senators from the farming states. The Administration has agreed to the plan in return for the support of the senators over a reduction in the Budget deficit. This probably means that the Administration will provide less help for farmers. The senators have probably agreed to this, but only on condition that surplus production is sold abroad.

The context is that United States exports have been dropping and imports have been flooding into the United States. Some of the trading partners of the United States have argued that this is because of the high value of the American dollar, which makes American exports uncompetitive. This argument is not universally accepted within the United States, where there is more than a little suspicion of unfair trading practices against the United States.

Threats have been made in the past about the possibilities of a trade war between the United States and the European Economic Community, which would harm New Zealand's interests. Hitherto, there have been a few skirmishes. What is being proposed is near enough to a full-scale trade war. The interests of New Zealand and its dairy farmers would be harmed immeasurably should the proposed sales come to pass.

CSO 4200/1133

5 August 1985

NEW ZEALAND

HIGH GOVERNMENT STOCK RATES PROMPT OPPOSITION CONCERN

Auckland THE NEW ZEALAND HERALD in English 18 May 85 p1

The Government accepted interest rates on its stock at a new high of 22.15 percent yesterday, a level which the Opposition claims will further raise household mortgages and other rates

The 3 per cent rise in the top rate for Government stock is expected to cause general lending rates for household mortgages and other loans to rise by a similar amount if the stocks rates remain at the level reached yesterday for the next two months or so.

Money-market dealers, however, said Government stock rates were expected to peak next month and then begin to drop.

A Government spokesman defended the new levels as being no higher than market rates for similar securities.

Money-market dealers confirmed that yesterday, although the Government stocks traded during the afternoon at rates generally a little lower than those accepted by the Reserve Bank in the tender.

The bank announced acceptance of bids totaling \$74,987,000 for stocks maturing in March 1987 at rates of 19.25 per cent to 22.15 per cent.

For the largest stock offered, maturing in October 1990, it accepted \$99,770,000 at rates of 19.24 per cent to 20.73 per cent and a further \$74,862,000, maturing in April 1995, was accepted at rates of 18 per cent to 19.33 per cent.

Defending the new rates, the Minister of Finance, Mr Douglas, said they reflected "a sound monetary policy" which would mean a "short-term pain for a long-term gain."

Rates could not come down until the budget deficit bequeathed by the Muldoon Government was slashed, he said, promising that the expenditure budget next month would "contain good news about our progress in that direction."

"With a lower deficit, the Government will no longer have to force the pace of interest rates," he said. "Meantime, the deficit is pumping extra money into circulation, fueling inflation and sending prices out of control.

"The purpose of the stock tender programme is to suck that deficit money out of the community and put it where it can do no damage to the economy.

"The only way to extract it from the private sector is to pay rates to investors which ensure the money is invested with the Government.

The Opposition spokesman on finance, the Hon Bill Birch, described the latest stock rates -- 3 per cent higher than the last tender -- as a disaster.

It would lead to forced sales of homes and farms and to business failures. The top rate would cause severe difficulties for all New Zealanders even though it was issued for only two years.

"All lending institutions will now adjust their deposit and lending rates around this new base of 22.15 per cent," Mr Birch said.

"The Government is showing a total insensitivity to the impact of these policies on the people of New Zealand."

CSO 4200/1133

NEW ZEALAND

SOCIAL CREDIT CHANGES NAME TO NZ DEMOCRATIC PARTY

Wellington THE EVENING POST in English 18 May 85 p 4

The Social Credit Party changed its name to the New Zealand Democratic Party in a close vote at its annual conference at Lincoln College yesterday.

The vote, which ended years of argument about the party's name and its ability to succeed electorally, represents a victory for party deputy leader Mr Garry Knapp who laid his political future on the line over the issue.

Some also see it as a victory of the political wing over the rank and file.

Mr Knapp, who threatened to step aside from the deputy leadership if the name was not changed, needed 66 percent of the conference votes to push his proposal through. He won 67 percent.

Confidence

Of the 188 votes cast, 127 were in favour of the name change and 61 opposed it. There was one informal vote.

The vote was so close that if two of those who supported the change had voted the other way, the proposal would have been defeated.

The debate and the wait for the vote count was a tense and emotional time. The news was greeted with a spontaneous shout and cheer from some, but others were clearly upset, with some even in tears.

Yet the reactions of all the delegates later was surprisingly subdued. There was no sign of revolt against the decision and prominent delegates who had opposed a change were careful to say they were prepared to accept the result and would stick with the party.

Accepted

Party president Mr Stefan Lipa who argued forcefully against the name change, said later he was personally disappointed with the outcome, but accepted it as

the democratic decision of the conference. He promised to continue working as president to promote the party under its new name.

Asked if he agreed with the tactics used by Mr Knapp -- with his threat to stand down from the deputy leadership -- he said: "It is not my way of doing things."

Delighted

Like Mr Knapp, the party leader, Mr Bruce Beetham, favoured the change and said he was delighted with the vote. He had not expected to win two-thirds of the votes and regarded the result as an indication of substantial support for the change.

He believed the party would cope well with the change and that there would not be more than "a handful" of defections. They would be compensated for by many new recruits.

Some delegates would be "bitterly disappointed" at the vote, but if there was going to be any major split over the issue, they probably would have walked out of the conference straight away.

Mr Beetham said he had always believed the name change was necessary, and was the first to propose the idea. He had not actively pushed for it until recently, however, because there was not enough support within the party.

Mr Knapp also welcomed the result of the debate, saying it was a vote of confidence in the party leadership. He accepted that the onus was now on him and other name change supporters to prove that they were right.

A fervent supporter of the old name, Mr Nevern McConachy, echoed Mr Knapp's comments, saying it was now over to the name change supporters to take on the work of promoting the new name.

Campaign

The name change will not disrupt organisation for the Timaru by-election. Candidate Mrs Lynley Siromons said the by-election organisers had taken the possibility of the name change into account in planning campaign publicity

Her brochures and pamphlets had been designed with a Social Credit logo, with the words "New Zealand's Democratic Party" alongside.

"That was correct whether we changed the name or not," she said

The new name is not likely to be in place officially until after the by-election, however.

Mr Beetham said the need to register the new name with the Registrar of Incorporated Societies meant there would have to be a transition period.

There would be no difficulty registering the name because plans had been made in anticipation of the change. -- NZPA.

CSO 4200/1133

5 August 1985

PHILIPPINES

STRIKES SEEN AS WEAPON FOR WORKERS' STRUGGLE

Hanoi LAO DONG in Vietnamese 11 Apr 85 p 6

[Article by Nguyen Van Tu: "The Filipino Workers' Struggle Weapon"]

[Text] In recent years, especially during 1984, because of the impact of the capitalist economic crisis, the Philippines economy has run into difficulties causing many plants to close and many workers to be fired. In 1984 over 1 million workers became unemployed.

A Filipino trade union activist has said: "If the economic situation of the country continues at this rate, in another 10 years there will be only two kinds of people left in Filipino society: the really rich accounting for 10 percent of the population but owning 90 percent of the national wealth, and the really poor accounting for 90 percent of the population but owning only 10 percent of the national wealth."

According to the Filipino experts, the deteriorating economic situation of this country has many reasons:

1. The ruling class has wasted and taken advantage of the foreign loans (estimated to amount to 25-30 billion dollars) meant for economic construction.
2. The economic depression of the developed industrial capitalist countries, especially the United States and Japan, the two countries with close trade relationships with the Philippines.
3. The concentration of political and economic power in the hands of President Marcos.

Faced with the country's socioeconomic situation that keeps deteriorating every day, the laboring people of the Philippines, especially the working class, are becoming increasingly outraged. Waves of struggle have risen up everywhere and the "League of Workers Against Poverty," a fighting organization of the working class, has been formed. Since its birth, coordinating its action with those progressive centers of trade unionism and primarily with those labor union organizations affiliated with the World Federation of Trade Union and a number of independent trade unions, the League of Workers Against Poverty has positively contributed to boosting the workers movement for raising living standards and for demanding trade union rights.

Disregarding the law against striking, acting on the stimulation of the League of Workers Against Poverty and other trade unions, the Filipino workers have continuously struck to demand raises and improvements in working conditions and other activities. In the first 4 months of 1984 alone, there were 51 strikes in several important industrial zones throughout the country, including the government-run combined industrial zone of Mariveles, the Bataan export commodity manufacturing and processing center, the Inter-Asia industrial container plant and many enterprises belonging to the communications and transportation sector.

Many strikes have been savagely repressed by the police, as in the case of the beer and soft drink exporting plant: here, 2 workers were killed and another 170 wounded. This repressive state measure has caused such dissatisfaction that workers in 120 enterprises north of Manila struck for one day in protest. Repression cannot crush the strike movement because the working class and the people of the Philippines realize that "strikes are the only weapon they have to make demands concerning their economic interests," just as Rolando Olalia, a Filipino trade union leader, has affirmed.

In view of the ever increasing struggle movement of the workers in the last few years, the Filipino trade union centers have continued to develop new forms of struggle in the process of defending workers' rights.

1751

CSO: 4209/429

THAILAND

COLUMNIST URGES FRANKNESS IN SHULTZ TALKS

BK080137 Bangkok THE NATION in English 8 Jul 85 p 4

["Thai Talk" column by NATION Editor Suttichi Yun: "Shultz's Visit: We Must Get Down to Business"]

[Text] When U.S. Secretary of State George Shultz sits down this afternoon at the Government House for talks with a Thai delegation headed by Finance Minister Sommai Huntrakun, he should be able to detect a shift in emphasis from the Thai side. Shultz may want to talk in general terms of global outlook. But the Thai side can't be lured into generalizations. After all, we do have specific issues to raise with Washington.

There will be only 45 minutes for the talks. If the Thai side fails to do its homework, it will be just another round of pleasantries and diplomatic exchange of "friendship and understanding." But it's exactly because we are friends that some frank, down-to-earth talks must be the thrust of the discussions. The nice, diplomatic exchanges could be left to the Thai and U.S. embassies posted in both capitals.

Let there be an agreement to disagree but the Thai delegation cannot take Shultz's visit lightly. He is here to listen--and hopefully not to preach the principles of "free trade" when some of the major Thai export items to his country are being hampered by protectionistic measures and "countervailing duties" which appear to be nothing more than growing protectionism by a super power against a small, developing country like Thailand.

Shultz may well explain that the same measures are applied to all countries and not only Thailand has been complaining. But what appears to be fair to all may not be fair to all.

In his busy life as a high-level political back in Washington, the U.S. Secretary of State must not lose sight of the fact that Thailand has been forced to play the game under the same rules that Washington applies to such developed countries as Japan, Taiwan and even South Korea which have hundreds of lobbyists hobnobbing with U.S. Congressmen and bureaucrats at all levels. Perhaps, it's own own problem and has to be resolved through our own resources but Thailand has only recently managed to decide to appoint one lobbyist in Washington, the first official move of its kind--and even that little first step in the right direction took years of arguments and preparations.

The Thai delegation will have to explain to Shultz some political realities in this country: The fact that Finance Minister Sommai was appointed by the Cabinet to lead the negotiation team should carry a very clear message--that the Thai Government has come to recognize the importance of economic issues which have recently assumed a vital role, so much so that the trend has come to be known as an "economy first, politics later" policy. Shultz, being a former business executive, can't possibly miss that message unless the performance on the Thai side turns out to be miserably below expectations.

It might have been said often enough before. But the sad fact remains that Washington has yet to address that serious drawback of being insensitive to the social and economic problems of a developing country, especially when it comes to trade, not aid. American aid has always been oriented towards security and political aspects and in its global outlook, what policy makes sense, if only to a handful of policy-makers at the White House, Pentagon and State Department. But if President Reagan has tried to shift the emphasis towards free (free trade, for that matter), the overall U.S. administration has yet to ensure that his new thrust bear fruit. Third World countries, especially those labelled "friendly nations," appear to have become the victims of such insensitivities.

I hope the talks won't waste too much time over the issue of which side actually suffers a trade deficit with the other since the variables are well known and the figures could be adjusted accordingly.

The crux of the issue is that Thailand will have to seek a higher degree of sympathy from such good friends as Mr Shultz who must realize that the Thai delegates sitting on the other side of the table with him this afternoon would be bored stiff if the U.S. Secretary of State starts talking about multilateral talks and free trade as well as all the familiar issues that are far beyond bilateral efforts. Not that the international economic trend isn't important but unless bilateral issues are discussed the solutions are sought, generalizations about the ills that affect this world won't help improve mutual understanding.

Shultz may also be interested in knowing that when the U.S. complained about the latest tax package announced by Thailand especially on the increase in import taxes, there were some ill-feelings on the part of Thai officials who simply couldn't believe that an old friend of this status could become so trivial as to raise the issue, as if the American officials posted here hadn't been following up on the fiscal problems besetting this country. The official outburst from certain Thai officials were certainly not personal expressions of frustration. I am sure there had been some unofficial sanction for such statements to be made. You can talk frankly and bluntly only to old friends, not mere acquaintances.

The Thai side, of course, must also be ready to listen to the contention from the U.S. side that any moves by the Thai Government to jack up import duties could only go to support the protectionistic elements back home and in turn would spark stiffer deterrence against Thai exports to the American market. But Thailand, with not too many options to resort to, had to accord priority

to the overall national interests before everything else. Besides, the import tax increases certainly applied to all countries equally. And would protectionistic measures in the U.S. have been reduced had the Thai Government reduced import taxes?

Shultz will hear a lot from exporters of textile products, steel pipes, canned tuna fish, etc...during his brief visit here. And I hope that the Thai delegation will get down to brass tacks in the talks instead of exchanging pleasantries. Since there are numerous issues to draw Shultz's attention to, the Thai delegates would do well to submit a short note in writing (no matter what you call that in diplomatic terms).

After all, I'm sure that an experienced and brilliant politician like Shultz would like to hear directly from the Thai side apart from what he has been briefed by his own embassy staffers. Getting it straight from a good friend like Thailand is probably the best way to find out what the hue and cry from this distant land, once the home of B-52s and all the modern military facilities used for the Vietnam War, is all about.

A no-nonsense man like Shultz would appreciate a no-nonsense approach from the Thai side and I hope the delegation led by Finance Minister Sommai will not disappoint us Thais, waiting to see whether Washington has become somewhat more sensitive towards our economic problems than before. After all, Japan has taken certain steps in the right direction although more needs to be done.

Washington must show that it is strong enough to be more generous and understanding towards the economic problems of a close political friend.

CSO: 4200/1180

THAILAND

U.S.-USSR SUMMIT TERMED 'LOND OVERDUE'

BK040458 Bangkok BANGKOK POST in English 4 Jul 85 p 4

[Editorial: "U.S.-Soviet Summit Is Long Overdue"]

[Text] The announcement that United States President Ronald Reagan and Soviet leader Mikhail Gorbachev have agreed to meet at a three-day summit in Geneva in November is welcome news. The longer the two leaders failed to hold discussions the deeper mutual suspicions and distrust were bound to grow. The summit is long overdue. Mr Reagan is the first U.S. President in recent history who has not met his Soviet counterpart. There has been no meeting between leaders of the two superpowers for six years. This is very unsatisfactory considering the international political turmoil there has been during those years.

It might seem a paradox but, despite the importance of the forthcoming summit, it is not likely to produce any major breakthroughs. Although some U.S. officials have said the talks will be substantive, most observers believe the summit is expected to be more of a "getting to know you" meeting with the two leaders sounding one another out and basically sizing one another up. Mr Gorbachev in particular is reported to be keen on meeting Mr Reagan first-hand, and perhaps more importantly, the people who advise the American president. Both leaders will be negotiating from a position of domestic strength, Mr Gorbachev having cemented his position in the Soviet hierarchy with this week's reshuffle in the Kremlin.

How two such differing personalities as Mr Reagan and Mr Gorbachev will hit it off remains to be seen. It will be remembered that despite some prior misgivings, Mr Gorbachev and British Prime Minister Margaret Thatcher got on remarkably well when they met in England last year and both seemed equally impressed by one another.

Of course the summit will not be all idle chit-chat and there will be some efforts to make progress on certain sensitive issues. However, there is little hope that Mr Reagan and Mr Gorbachev will be able to break the deadlock over U.S.-Soviet nuclear arms reduction. However, these talks may be able to pave the way for more substantial progress in the future.

The most important point is that the two leaders of the world's leading superpowers will be talking to one another, face to face. The talks can certainly do no harm and if, as we all hope, they succeed in eroding some of the suspicions between the two superpowers, the whole world will be able to breathe a little easier.

CSO: 4200/1183

THAILAND

PAPER COMMENTS ON CAMBODIAN PROXIMITY TALKS

BK050143 Bangkok THE NATION in English 5 Jul 85 p 4

[Editorial: "Proximity Talks Can Take a Forward Step"]

[Text] The ASEAN foreign ministers will be meeting in Kuala Lumpur next week and one of the important items in the agenda is the 'proximity talks' between the warring parties in Kampuchea, most likely including a modification proposed by China. The idea was floated some time ago by Indonesian Foreign Minister Mocktar Kusumaatmaja and taken up with verve by Malaysia and it gained momentum when Malaysian Prime Minister Mohammad Mahathir held talks with Prime Minister Prem Tinsulanon in Phuket recently. Foreign Minister Sitthi Sawetsila discussed the matter in Beijing during his recent visit and accepted a modification proposed by China which fellow-members of ASEAN will have no difficulty in ratifying.

Proximity talks are held by two parties who will not talk to each other but will be in adjacent rooms with a mediator shuttling back and forth spelling out proposals and counter-proposals to the delegations. It is something of a last resort in negotiations, like the one held recently between a Pakistani delegation and a Soviet-backed Kabul regime's delegation--that of course ended in failure.

The modification which China proposed and which is quite sensible is that some representatives of the Heng Samrin regime in Phnom Penh should be stuffed into the Vietnamese delegation which will hold the proximity talks with a delegation from the Coalition Government of Democratic Kampuchea (CGDK). Vietnam has not accepted--for that matter a direct proposal has not been made--but Foreign Minister Nguyen Co Thach has indicated some willingness. Prince Norodom Sinhanouk and the Khmer Rouge have expressed some reservations but have generally accepted the proposal. Son San has not yet commented on the talks.

It is easy to take a negative attitude to the proximity talks asking that if the delegations do not even want to face each other, how can they come to any sort of agreement? But there are certain positive advantages in holding these talks. One of them, of course, is that ASEAN is leaving no stone unturned to find a political settlement to the Kampuchean problem. The Chinese modification raised other points.

Having Heng Samrin's delegates in the Vietnamese delegation, at least according to Sihanouk, would give the puppet government in Phnom Penh a modicum of legitimacy. However, we do not find anything strange about that. The fact that they are a part of the Vietnamese delegation clearly puts forth the truth that the present Phnom Penh regime is under the aegis of the Vietnamese. And one can also be sure that any proposals coming from that delegation will be dictated by Hanoi.

But we are not sure that the proximity talks should be held in Kuala Lumpur with Malaysia acting as mediator. While proposing and supporting it, ASEAN countries must dissociate themselves from the final phase. We had suggested that the best place to hold such talks will be Australia with that country acting as mediator, but actually any non-ASEAN or non-communist country would do. We are sure the ASEAN foreign ministers, when they meet in Kuala Lumpur, would be able to suggest a venue acceptable to all parties concerned. And the proximity talks, we hope, will lead to direct talks which, if needed, can be expanded to include all concerned countries.

CSO: 4200/1180

THAILAND

EDITORIAL ON SRV REJECTION OF 'PROXIMITY TALKS'

BK080124 Bangkok THE NATION in English 8 Jul 85 p 4

[Editorial: "Vietnam's Negative Stand Tries To Influence ASEAN"]

[Text] Hanoi's rejection of "proximity talks" between a delegation of the Coalition Government of Democratic Kampuchea (CGDK) and a Vietnamese delegation which would include representatives of the Heng Samrin regime, has to convey some meaning. As Permanent Secretary of Foreign Affairs Asa Sarasin pointed out the rejection came even before the official proposal from ASEAN was made. In an indirect way, this complements what Thai Permanent Representative to the United Nations, M. L. Phiraphong Kasemsri, said--Vietnam is unlikely to challenge the seating of a CGDK representative in the General Assembly.

We have been doubtful of the success of any proximity talks but our reasons are certain not those of Hanoi. It is in the nature of communist countries to open negotiations from a position of strength or, when they are in a desperate state, achieve through talks and treaties, later to be reneged, what cannot be won on the battlefield. The second proposition was worked out with brilliancy by Hanoi when it concluded the Paris peace accords with the Americans in January, 1973.

There are pessimists who conclude that Vietnam is in a strong position in Kampuchea meaning that they have total control of the country. This fallacious conclusion is based on the ferocity of the Vietnamese onslaught during the dry season and the subsequent inability of the resistance forces to retake their bases although the rainy season started a month ago, rather early.

There are two reasons for dismissing this line of thought. The first is that, according to National Security Council Secretary General Prasong Sunsiri, there is an "intensive" war being fought along the Sino-Vietnamese border. The Chinese will not be engaging 27 Vietnamese divisions if they believed that the Vietnamese have achieved full occupation of Kampuchea. The second is that the Khmer Rouge who were ousted from their bases went deeper into Kampuchea and have claimed killing over 2,000 Vietnamese soldiers in two months--most consider the Khmer Rouge figures exaggerated but even a lower figure should be hurting the occupation forces if the attacks are at key points.

All this goes to show that Hanoi considers its own position in Vietnam as fluid. Another point that has to be taken into consideration is the timing of Hanoi's announcement--just before the ASEAN foreign ministers meeting in Kuala Lumpur starting today. Possibly Hanoi thinks that, by rejecting something which has not even been proposed, she would be able to diminish any political impact which the ASEAN proposal, with which China has concurred, may have internationally. Possibly that is why M. L. Phiraphong believes that Vietnam will not oppose the seating of CGDK because Vietnam does not want too much international recriminations on her untenable role in Kampuchea.

We are sure that ASEAN foreign ministers are fully aware of all this and will still put forward the proposal of proximity talks because Hanoi's rejection, as she has already indicated, will only show to the rest of the world that she is interested only in a military solution and not in a political one.

CSO: 4200/1180

THAILAND

ACADEMIC ON 'WISHFUL THINKING' ON CAMBODIA

BK010425 Bangkok THE NATION in English 1 Jul 85 p 4

[By M. R. Sukhumphan Boriphat: "Farewell to Sacred Cows?"]

[Text] Since the Vietnamese invasion of Kampuchea there have been a number of key assumptions held at various times by officials of the ASEAN countries in general and those of Thailand in particular. These assumptions to a greater or lesser extent have been institutionalized in official discussion, appraisal and formulation of the policy towards the Kampuchean conflict, and as time passed have been accepted as sacrosanct, self-evident truths which seemingly can be questioned only at the risk of provoking the wrath of some divine beings. However, events of the last six months or so argue for a critical reappraisal of the present ASEAN policy and by implication of a thorough re-examination and perhaps even a revision or rejection of the very assumptions upon which the policy is based. They are as follows:

Assumption One: Vietnam can be "bled" and, when the pain or pressure on it reaches a certain level, can be forced to leave Kampuchea. This "Bled Tiger" assumption underlines the ASEAN countries' policy of orchestrating and sustaining a correlation of political, diplomatic, economic, military and moral forces against Vietnam, and has precipitated a constant search for any hint or sign that the tiger is in distress.

This line of reasoning is probably correct in that Vietnam is in a great deal of distress and that isolation and international pressures have caused extreme hardship. But a tiger in distress is not necessarily a timid, submissive and easily manipulable creature; it can also be a desperate, dangerous and violence-prone animal. And so it has proved.

The 1984-85 dry season saw Vietnam launch a new, more aggressive strategy to bring about a military solution to the Kampuchean problem, or at the very least to eliminate any remaining vestiges of doubt as to on whose terms any future negotiation and settlement will have to be based. In the process Vietnam has also made it clear that it will not let such niceties as avoiding clashes with Thai troops on Thai soil stand in its way, that it is prepared to undergo a great deal more suffering to realize its security objectives, and finally that Thailand should also be forced to count the costs of a prolonged conflict over Kampuchea.

ASEAN's search for the tiger's breaking point ironically has probably served to raise that breaking point (if it exists at all), and what we have now is not a tiger in distress as hoped for, but a tiger in distress and [preceding word in italics] on the rampage as long feared. To put it another way, and more bluntly, for ASEAN wishful thinking has become dangerous thinking has become dangerous thinking indeed.

Assumption Two: The Soviet Union has a great deal of influence on Vietnam's behaviour. This has led to the belief that if the Soviet Union can be persuaded to exert pressure on Vietnam, the latter is likely to become more accommodating. The simultaneous approaches made to the Soviet ambassadors in all the ASEAN capitals (except Burnei's) in February, 1985, are good evidence of this line of reasoning.

This "Omnipotent Patron" assumption has one beneficial side-effect in that the ASEAN governments have endeavoured to keep the diplomatic lines to the Soviet Union open; it would have served no purpose whatsoever if they had severed all dialogues with Moscow. However, it is a fact of international political life that influence cannot be easily brought and that aid does not necessarily endow the donor with the ability to manipulate the recipient at will especially in situations where the latter's security and survival are seen to be at stake. And so it seems to be the case in the USSR-Vietnam connection.

One interesting development in recent months is that the Soviet Union has made an effort to appear more "responsible" and "reasonable," but at the same time has provided Vietnam with all the ammunition it wants for its massive offensives against the Khmer resistance. One possible explanation is that the Soviet Union is playing a "treacherous" game. Another, more plausible one is that the Soviet Union has very little influence over Vietnam's Kampuchea policy.

It is not too far-fetched to believe that the Soviet Union may wish to reduce the considerable financial, and diplomatic costs to itself arising from the latter's adventure, and consequently may strive to reduce regional tension by playing a more accommodating role, but has failed to persuade its "client" to be similarly accommodating. One reason is that far from being an "omnipotent patron," the Soviet Union may be no more than a helpless Gulliver trapped by bonds of commitment to its small ally whom willy-nilly it has to provide with aid and succour.

Another reason is that the logic of the Soviet Union's global geostrategic rivalry with the United States means that the former's overriding priority is not the reduction of regional tension in Southeast Asia per se but the preservation and upgrading of its base structures in Vietnam and accordingly its commitment to bringing about an accommodation in Kampuchea is far outweighed by its desire to preserve a stable relationship with Vietnam and avoid any conflict which may upset this relationship.

The close Soviet-Vietnamese alliance is a fact and so is Vietnam's capacity and willingness to preserve its own freedom of action where Kampuchea is

concerned. To deny these facts is again to engage in wishful thinking and, worse, to allow oneself to be distracted from the task that really matters and has not been properly addressed in recent months--that of promoting and maintaining a dialogue with Vietnam.

Assumption Three: The People's Republic of China is a credible deterrent against Vietnam in all scenarios. This "Mighty Middle Kingdom" assumption has induced a great deal of complacency especially in Bangkok that what Vietnam can do unto Thailand is serverely limited by what China can do unto Vietnam and consequently that a policy of confrontation against the latter is a basically "safe" course of action.

If nothing else, events of the last few months should prove beyond any shadow of doubt that the PRC's capacity and willingness to give a "second lesson" to Vietnam is at best uncertain. One reason is that the "first lesson" was a mutual learning process; another is that surprise and numerical superiority, the elements which were crucial in making the "first lesson" arguably a success, will be missing the second time around; and the third reason is that for China providing arms to the Khmer resistance forces to keep Vietnam preoccupied and debilitated is, in terms of costs and benefits, a far more effective policy.

To put it another way, and more bluntly, *[begin italics]* far from being a reliable force of deterrence, the PRC has a vested interest in keeping the Thai-Kampuchean border areas in a state of turmoil and in this respect the costs to Thailand arising from this state of turmoil are largely irrelevant to its calculations. *[end italics]* To hold steadfastly to the belief that BEijing can effectively deter Hanoi from launching attacks on Thai territory and forces short of a full-scale invasion and thus prevent the latter from inflicting a high degree of destruction upon the same, is to engage in wishful thinking to fantastic dimensions.

Assumption Four: The costs of the present policy are minimal and hence bearable from Thailand's point of view. This "Invulnerability Forever" assumption has served to maintain the present policy direction and to make any reappraisal thereof seemingly unnecessary and irrelevant. As the present author has argued in the 1 May, 1985, edition of THE NATION, the 1984-85 dry-season Vietnamese offensives in Kampuchea have effectively eroded the factual basis of this assumption. Indeed it is the considered opinion of many (non-Thai) authorities that the next dry season or two may see marked intensification of border clashes between Thai and Vietnamese forces. If this scenario eventuates, war is a possibility.

Assumption Five: While the Kampuchean conflict has acted as a centripetal force for regional cooperation, the costs of the present policy are minimal and hence bearable from ASEAN's point of view. This "Unity in Adversity" assumption is still essentially correct, but the warning signs are unmistakable and should be heeded. Most important of all is Indonesia's growing impatience with Thailand's hardline and inflexible stance and this is expressed through Supreme Commander of the Indonesian Armed Forces Gen BENNI MURDANI's dealings with Hanoi.

The seriousness of this warning sign becomes all the more pronounced if one considers that Gen Murdani may surprise his many detractors and successfully build himself up as an undisputed heir apparent to President Suharto. In the not-so-distant future the Kampuchean conflict may act as a centrifugal, divisive force for regional cooperation. The divisions are not likely to become formal but it does not follow that they are unlikely to become serious and far-reaching.

The essence of ASEAN cooperation is process [*preceding word in italics*], process of dialogue, consultation and consensus-building, and it is through such processes that ASEAN has attained its progress and solidarity; were these processes to be impeded or reversed by the Kampuchea issue, the damage to regional cooperation may turn out to be irreparable. If one also takes into consideration the fact that the Kampuchean conflict and the failure to resolve it have given rise to the F-16s syndrome which has afflicted Thailand, threatens to afflict Singapore and consequently is certain to afflict Indonesia and Malaysia in due course, the costs arising from the present policy are far from being minimal.

Assumption Six: It is possible to bring about a neutral, non-aligned, stable, free and democratic Kampuchea. This "Austria solution" assumption is unrealistic for no matter what eventuates in that troubled land, Kampuchea is most unlikely to become neutral, non-aligned, stable, free and democratic. If (Scenario A) the Khmer resistance forces prevail, the government of "liberated" Kampuchea is bound to be dominated by the Khmer Rouge who, as the recent developments have shown, are still by a long way the most coherent, organized, determined and well-armed of the three factions despite much vaunted improvements of the non-communists, and a Khmer Rouge-dominated Kampuchea is destined to be closely allied with the PRC in its external policy, either formally or informally, and to be totalitarian, if perhaps not auto-genocidal as before, in its domestic policy.

If (Scenario B) there is a "national reconciliation" government comprising the three resistance groups and the Heng Samrin party, increasing polarization between the Khmer Rouge and the latter is the most likely outcome in the absence of a strong, mediating third party, that is the non-communists, and in this context a civil war can easily erupt, leading to another round of interventions by external powers.

If (Scenario C) the present trend continues, that is with ASEAN persisting in mounting political, diplomatic and economic pressures on Vietnam and failing to drive it out of Kampuchea, and with Vietnam being able to consolidate their position, if not to eliminate the resistance forces, in most of Kampuchea, the likely outcome is growing Vietnamese control which would make any hope for an "Austria solution" an absurd fantasy.

The truth is that one cannot recover on a negotiating table what one has effectively lost militarily in the field. If this Scenario C eventuates as it is likely to do, the most ASEAN could hope for is a "Finland solution" (an officially neutral country whose neutrality is "flawed" and whose fate is heavily influenced by a neighbouring great power) but may find itself having

to face up to an "outer Mongolia solution" (a puppet regime heavily garrisoned by a great power's armed forces).

Assumption Seven: In the post-Vietnam War era where limitation and selection are key themes in American foreign policy, and [preceding word in italics] increase in American interest and activity in Southeast Asia is ipso facto a good thing, a vital factor contributing to the peace, security and prosperity of the region. It is probably true that the United States' presence in the Asia-Pacific region in general and in Southeast Asia in particular is essential for maintaining peace therein, but it is not necessarily true that every American action or policy is a constructive endeavour. In particular, the United States' decision to sell Thailand F-16a fighters may lead to an arms race both within ASEAN and between ASEAN and Vietnam. Greater activism is neither a guarantee nor a reflection of greater wisdom on the part of Washington, D.C., and it is highly unrealistic and dangerous for the ASEAN countries to assume so.

An effective policy must be based on a realistic appraisal of facts and not on assumptions the factual bases for which are highly dubious. ASEAN's policy towards Kampuchea is at present rooted in a number of assumptions which have been challenged by the turn of events and to go on accepting these assumptions without question and treating them as self-evident truths leads to complacency, inflexibility and failure to address oneself to the task of finding a realistic solution to the Kampuchean tragedy, which in turn may serve to escalate the conflict in the near future. It is time one bids farewell to a number of "sacred cows" or one may find that one has on one's hands a great many chickens coming home to roost.

CSO: 4200/1180

THAILAND

MINISTERS EXPRESS 'GUARDED OPTIMISM' ON JAPAN

BK290850 Bangkok THE NATION REVIEW in English 29 Jun 85 pp 1, 2

[Text] Thai ministers who returned from the second Japan-ASEAN conference in Tokyo last night expressed guarded optimism over the discussions and agreed that Tokyo had given more importance to ASEAN as a whole.

Deputy Industry Minister Chirayu Itsarangkun na Ayutthaya and Deputy Foreign Minister Praphat Limpaphan told reporters that Japan had demonstrated favourable gestures in trying to solve the trade problems with ASEAN.

"Japan offered a higher degree of cooperation and we could feel the growing eagerness of Japan towards us," Chirayu said.

But he also expressed the caution that time will tell whether Tokyo will live up to the promise.

He said Japan had come to realize that the "unequal trading pattern" between Japan and ASEAN could harm Japan in the long run. "Trading relations must be a two-way business," he said.

The deputy industry minister cited the announcement made by the Japanese Government on tariff cuts of more than 1,800 items on Tuesday as a "barometer" on Japan's eagerness to resolve the trade problem with ASEAN.

Thailand has benefitted from the cut on tariffs for boneless chicken and other items for the rest of ASEAN, he said.

Praphat, who will be the head of the negotiation team in the upcoming bilateral ministerial trade talks in Tokyo around September, said that the Japanese Government promised the tariff rates for the boned and boneless chickens will be the same within the next three years.

During the two-day conference in Tokyo, Chirayu said that Japan's senior officials paid special attention to the Thai statement that collective efforts were needed to improve the trade relations.

Chirayu said that Japan has made a certain shift in its investment policy in ASEAN. "Japan used to say investment is the concern of the private sector.

Now they said although it is a private decision, governments can play a role in creating an atmosphere conducive to investment in ASEAN by setting up something like financial arrangements," he said.

Japanese economic ministers, at the end of the meeting, also said that the future Japanese investment in ASEAN must respond to the needs of ASEAN countries. "Japan must use local raw materials as much as possible, and quicken the process of technology transfer," according to Chirayu.

Praphat, who also met with senior officials of the powerful Japanese agricultural cooperatives (Zennoh), said that Japanese senior officials were very enthusiastic in providing answers to questions raised by ASEAN representatives.

He also said that in the future he would like to see more non-tariff measures lifted to promote trade with Japan.

A joint statement issued at the end of the second Japan-ASEAN economic ministers' meeting in Tokyo yesterday said ASEAN ministers has asked Japan to make further efforts to facilitate the access of ASEAN products to the Japanese market.

The ASEAN ministers, while expressing appreciation for boneless chicken, palm oil and bananas, also asked the Japanese Government to give favourable consideration to other ASEAN requests on tariffs, non-tariff barriers as well as on GSP [Generalized System of Preferences].

Japan was also asked to extend more assistance to ASEAN for export development and promotion programmes, including assistance from JETRO [Japan External Trade Relations Organization] in the formulation of export promotion programmes tailored to the individual needs of the ASEAN countries.

The joint statement also said: "They (ASEAN economic ministers) also requested Japan to encourage Japanese subsidiaries and joint ventures located in ASEAN to make efforts to promote the export of their output to Japan."

The statement said both sides recognized that for the future development of Japan-ASEAN economic relations, it was necessary for Japan to cooperate with ASEAN "from a comprehensive and medium and long-term perspective, in ASEAN's efforts towards the advancement of its industrial structure as they approach the 21st century."

On "future direction for cooperation in investment and technology," the joint statement said both sides agreed to examine at the officials' level ways and means including the following specific measures:

--Collection and dissemination of investment and technological information, both in Japan and the ASEAN countries;

--Strengthening of linkages among existing investment and technology related organizations;

--Further utilization of existing financial schemes to encourage participation of Japanese enterprises in the ASEAN Industrial Joint Ventures programme; and

--Enhancement of investment and technology related activities of JICA [Japan International Cooperation Agency], JETRO and ASEAN Promotion Center on Trade, Investment and Tourism.

Japanese and ASEAN ministers expressed "serious concern" over the resurgence of protectionist trends and agreed that renewed and determined efforts must be made at this critical juncture to strengthen a free and open world trading system.

The ministers agreed that there should be a rollback of protectionist measures and that any trade problems should be dealt with in a "transparent, predictable and nondiscriminatory manner."

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THAILAND

FORMER DIPLOMAT ON 'SECRET' TALKS WITH PRC

BK240235 Bangkok THE NATION REVIEW in English 24 Jun 85 pp 4, 5

["First of a series" of "NATION Special Report" articles on "Thai-Sino Relations: Ten Years Later"--This installment entitled: "Secret Negotiations Before Thai-Sino Ties," an "exclusive recollection" with NATION REVIEW "late this week" by Anan Panyarachun, former Thai ambassador to the United States and permanent representative to the United Nations]

[Text] I think that the relationship between the two peoples have been traditionally close and friendly. So, one has to view the absence of diplomatic relations with mainland China merely as a temporary interruption of the traditional friendship. When the Chinese Communists took over the mainland in 1949--that was during the time of the Cold War period in a way and after the end of WW II, the Thai Government then opted to be an ally of the United States and joined in the anti-communist venture in Asia.

At that time it was a very straightforward affair in the sense that in the 50's, it was like a case of a good guy versus a bad guy or capitalism or democracy versus communism. It was perceived by many as a clear-cut confrontation between "the good and the evil" and the United States being the leader of the Free World then, of course, had gathered up a number of friendly countries into their camp.

Obviously, China was the "major culprit" or the "Asian bully" supported by countries like North Korea and North Vietnam. So, because of that external factor, coupled with the presence of the Kuomintang (KMT) on Taiwan allied with the U.S., our stand against Vietnam over the Vietnam War and several other factors, placed Thailand exclusively in the anti-communist camp under the leadership of the U.S. We had also participated in the annual exercise in the United Nations to keep China out of the UN by maintaining the representative of Taiwan since 1950 but as time went on into the 60's, particularly in the late 60's, I think a fair-minded observer of the international scene would begin to see the writings on the wall that the Vietnam War was not going in the direction that we wanted it to be and that the American public was gradually losing its political will to back up its military actions in Vietnam.

Then, you have the Guam Doctrine. You have the Nixon Doctrine. You could see gradual erosion of support for the Taiwan cause in the UN. There was a deep rift which occurred in the partnership of China and the Soviet Union as

Asian nations particularly our nation, began to achieve a high degree of economic development resulting in greater economic stability and greater confidence in themselves.

I think you may recall that Khun Thanat [Khomani] had been foreign minister since 1958. Between 1958 up to 1970 [year as published], he served under Field Marshal Sarit Thanarat, who was the strongman with a very anti-communist mind. Then, Field Marshal Thanom Kittikhachon succeeded him and he was, I would say, more flexible in this regard, but not to the extent of being able to overcome internal opposition to the adjustment of the policy towards China. But at least he was not iron-clad on the rule and Khun Thanat felt that he had more room for maneuvering. So, he did make some attempts. And after China was readmitted to the UN in 1972, Khun Thanat was still foreign minister and I was instructed to start talking with the Chinese, not to conduct negotiations or to have formal talks, but at least to socialize with them and to try to probe their minds in the UN. You know, we could see each other at cocktail parties and in UN corridors, for examples.

I do not recall the exact instruction, but I suppose the instruction was that I was at liberty to socialize with them, to talk to them and report to him on the developments of the talks. It could be a talk on any subject. How did they view Thailand? How did they view the then government? What did they see of the future relations between the two countries?

I think things began to gain momentum after Khun Chatchai [Chunhawan] became foreign minister. I was then explicitly instructed to go for confidential talks with then Chinese Foreign Minister Chiao Khuan Hua. At that time Ambassador Huang Hua was permanent representative to the UN. We took the opportunity of Chiao Khuan Hua's visit to UN every September and I had a few secret meetings with the foreign minister. And when I said it was secret, it was really so because we met in underground rooms in the UN Building, all sorts of confidential places. Every time I met with him, talked to him, I reported to the government.

These were common on political leaders of the Asian countries, particularly Thailand, to begin to have different perspectives towards the geo-political scene in Asia.

There were also a number of changes which were taking place within the country. We saw the student uprising on 14 October, 1973. That was after the entry of China into the UN. But in the late 60's and early 70's, the congressional opposition to the Vietnam War was becoming stronger and stronger. The Watergate case also helped to contribute to that erosion of public support of the American policy in Vietnam. I think Dr Thanat Khomani, who was then the foreign minister, felt that the winds of change started to blow from various directions and in international politics, a keen observer of the wind of changes would, of course, have to adjust its own sail. In the latter years of Khun Thanat's tenure as foreign minister, he started to explore the possibilities of adopting a more flexible policy vis-a-vis China and opening up more options for Thai foreign policy.

But at the same time, the internal opposition within Thailand to any proper adjustment on the question of China was still very strong. There were some valid as well as invalid reasons for such opposition. I don't think I have to identify the source of the opposition but at least the opposition was there. So, with the initial sort of probing, exploring of the possibilities. [sentence as published] Of course, we did not get anywhere because of that strong opposition.

But when there was an internal change within our own political system starting with the 14 October, 1973 student uprising leading towards a more democratic rule and culminating in the establishment of a fully-elected parliament and a Cabinet directly responsible to the Parliament, the Thai Government then under M. R. Khukrit Pramot, felt much less inhibited in adopting a new policy.

But even before the normalization in 1975, I would say even a couple of years before that, the Foreign Office in Thailand under the Sanya [Thammasak] Government had been given instructions to assign the permanent representative of Thailand to the UN, namely me, to conduct unofficial talks with the Chinese. And you remember in 1973, there were quite a lot of activities which led to the sending of a ping pong team, then a trade delegation led by Maj Gen Chatchai Chunhawan, who later became foreign minister to negotiate the purchase of Arabian light oil from China.

I think that it was in 1973 or 1974 when China agreed to sell us 50,000 tons of Arabian light oil at a friendship price. So, in 1973 and 1974, many Thai delegations were sent to China either for sport or trade purposes. And I think that you may recall that one of the stumbling blocks to the normalization process was the Revolutionary Announcement No 53 which banned trade with communist countries. If I recall correctly, the Chinese viewed that announcement as directed against them and the Thai Government, in order to pacify the Chinese, decided to abrogate the announcement. That also paved the way towards the normalization. So, you can see that the events that led to the normalization were not isolated. Preparing steps had been taken since early 70's either officially or unofficially.

You need to know the reasons for the internal opposition to diplomatic relations with China. What did they fear about it? First, the Chinese support for the Communist Party of Thailand. Second, how they planned to deal with the question of the Chinese community in Thailand and third how did they feel about our alignment with the United States and our participation in the Vietnam War? But in diplomacy, when you start talking, it does not necessarily mean negotiation. It was then just an exchange of views but if you keep on talking, once every week, or once every two weeks, then you make progress in certain areas and you report back. And when you report back, you are instructed to follow up in certain areas. But the main point was to cultivate personal relationships with the Chinese who represented their country in the UN. We were then trying to find out that if and when the time came for formal talks on normalization what particular questions that were most likely to be raised by them? What were their positions on these questions and what should be our counter-arguments and counter-positions for the formal negotiations?

And what particular questions we would like to raise with them so that it would be a sort of alerting them to prepare their own positions. You see, before you proceed a formal negotiation, you have got to prepare the ground work. So, that is why diplomacy is very important. And sometimes, we tend to forget the importance and desirability of engaging in quiet diplomacy.

Throughout the talks then, the tone was very cordial. There were quite a few substantive questions that were raised either by them or by us. But the Chinese always said to me that they understood that we had to proceed slowly because they were well aware of our internal opposition and they were not in a hurry to rush us into the process of normalization because they being experienced in the international affairs, also knew that we had to make certain arrangements within our own country before we can embark upon the actual process of normalization. So, they were not in a hurry. They were not rushing us. They gave us plenty of time to work out our internal problems and I think we did it in 1973-74, and 1975.

We had been sort of separated from them for over two decades and so, the process needed time. Before adjustment of policy, you have to adjust the attitudes of the people. So, the idea of sending missions, sports missions, trade delegations, to China, was part and parcel of this process of readjustment of the attitudes of the policy makers and of the people. So, we had no timeframe as to when the actual normalization should take place. But when we had the fully-elected government, the government then seized the opportunity and I think you will recall that one of the internal oppositions with regard to the adjustment of our policy vis-a-vis China was the stand taken by our National Security Council (NSC). Then, M. R. Khukrit became premier and Khun Chatchai was made foreign minister.

In May 1975, during the Mayaguez incident, I was then ambassador to the U.S. and the government recalled me "for consultation" which, of course, was interpreted by people as a demonstration of protest by the Thai Government and during my stay in Bangkok then, one day I was called into Minister Chatchai's office. He said that he wanted to start the normalization process and he asked me to go to Beijing to carry out this policy. I was then permanent representative to the UN and concurrently ambassador to the U.S.--and I had been holding consultations with the Chinese for two or three years.

[NATION REVIEW says: "Tomorrow, Hectic Negotiations on Joint Communiqué"]

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THAILAND

MORE ON FORMER DIPLOMAT'S TALKS WITH PRC

BK250242 Bangkok THE NATION REVIEW in English 25 Jun 85 p 5

[Part two of "NATION Special Report" article on "Secret Negotiations Before Thai-Sino Ties" by Anan Panyarachun; this installment entitled: "How Joint Statement Was Drafted"]

[Text] The first question I asked Khun Chatchai was: "Is that, in fact, the policy of the Thai Government? Has the National Security Council (NSC) agreed to or approved the policy?"

I think he replied: "No, we did not go through the NSC." He said he raised it directly in the Cabinet; and it was approved by the elected Cabinet and by the prime minister. So, from his point of view, it was already national policy adopted by the elected government.

I said to him that I did not think it would be wise for me to go to Beijing immediately because we had to give the Chinese time to prepare themselves. I mean we just could not get into a plane and fly to Beijing and start talking with the Chinese rightaway. You had to notify them.

And I said that since I had already maintained contacts with the Chinese in the UN, I'd better get back first to New York. But of course, I stopped in Washington first in my capacity as ambassador to Washington.

Then, I flew to New York under my second hat as permanent representative to the UN. I talked to the Chinese ambassador and tried to sound out his feelings--whether the Chinese felt that it was also time for them to normalize ties with Thailand.

I asked him to send a message to Beijing saying that the Thai Government was now prepared to start having talks on normalization, asking whether they would agree to it in principle, and if so, when they would be prepared to receive me.

In the meantime, I worked our principles which would govern our talks with the Chinese, with our people at the Foreign Ministry. That was before I left for New York and also after I came back to Bangkok to prepare myself for a visit to Beijing.

When I received an answer in the UN that they were now ready to receive me, at such and such a date, in Beijing to engage in talks on normalization, I came back to Bangkok to prepare the position papers for the government with the Foreign Ministry officials.

Once the government agreed to the position papers, we went to Beijing. I think there were five or six of us on my team. I was head of the delegation, but at that time I did not have any position within the Foreign Ministry. I went to Beijing in my capacity as ambassador to the UN.

Well, we went to Beijing and remained there for about one week, in the second week of June, I think, 1975.

The Chinese appointed a delegation to talk to us.

It was headed by Ambassador Ke Hua, who later became the first Chinese ambassador to Manila, and after that Chinese ambassador in London. I think he has now retired.

On our side, we had Ambassador Chawan Chawanit, who was then deputy director general of the political department; Tet Bunnak, now deputy permanent secretary for foreign affairs, who was then our China specialist; and Suchinda Youngsuntorn, our legal advisor (now director general of the Treaty and Legal Department).

We concluded our talks, initialling an agreement, and they made a special arrangement for me to fly back to Bangkok.

We flew into Canton, and because I was in a hurry to catch a THAI plane from Hong Kong to Bangkok, the Chinese arranged a motor car convey because otherwise, we would have had to stay overnight in Canton. They took us directly from the airport (in Canton) and drove us for about one hour to the Canton-Hong Kong border.

Ambassador Manatphat Chuto, who was then our consular-general in Hong Kong, had arranged with the Hong Kong Government to send a British helicopter to pick us up at the border. The whole team was ferried by the helicopter right down to the tarmac of the Hong Kong airport where we boarded a THAI flight and flew back to Bangkok on Sunday.

Once we had initialled the agreement, the Chinese extended an invitation to our prime minister to visit China and also to sign the agreement.

We had to rush back because normally, we would have a Cabinet meeting on Tuesdays. So I had to get back to Bangkok by Sunday to prepare our report to be submitted to the Cabinet on Tuesday.

I think on Monday we met with the NSC and I briefed them on the draft joint communique which had been initialled.

Of course, at the time, since it was already a Cabinet decision to go ahead, the NSC just had to act a part. But they had the benefit of hearing what went on in Beijing: on the substance as well as the atmosphere of the talks.

On Tuesday, the draft joint communique was formally submitted to the Cabinet for approval. And once the entire communique was approved by the Cabinet, we proceeded to prepare for the premier's visit to China, which took place five or six days later.

So the whole process covered just two or three weeks' time. And, now we are reaching the 10th anniversary of the actual signing of diplomatic relationships on 1 July, 1975.

As for the cause of the establishment of diplomatic relationships, I don't think we can attribute it to one particular factor, but I think the culminating point was the elected Parliament and the elected Cabinet.

It was after the student uprising in 1973 when Khun Sanya was prime minister. I don't know because I was out of the country then, but I doubt that internally that government would have been prepared to take such drastic action. As far as unofficial talks and meetings with the Chinese were concerned, of course, that government was capable of being more flexible and allowing such intercourse to take place, but it needed real political leadership.

That was provided by M. R. Khukrit as head of the democratic government.

The normalization, I think, was part and parcel of the whole adjustment process about foreign policy because there had to be a re-orientation of our foreign policy. In the past our foreign policy was perhaps a little bit security-oriented. In plain terms, it was just anti-communism, pure and simple. In those days, it was a bi-polar world, the politics of confrontation.

But in the 70's, not only we in Thailand, but everybody else, were moving away from the politics of confrontation, towards the politics of negotiations and reconciliation. Gone were the days when you had to confront militarily another country.

It was a gradual transformation.

Everybody, even the major powers, was adjusting their policy. The U.S. adjusted their policy in 1971 and 1972 with the secret visit to China by Dr Kissinger, and with President Nixon's visit to China.

So, if you talk about policy adjustment, the U.S. also took a leading role or an initiative.

This is what I meant when I referred to the winds of change that were starting to blow. They were blowing from the American scene, from many other areas of the world. And we as a small country, also had to adjust ourselves to the winds of change.

So we were not in the vanguard of policy adjustment. I suppose that changes in Indochina in the 70's were a factor which accelerated the decision making to normalize ties with China.

But the normalization process with China was just a part of the total picture of the re-orientation of our foreign policy. Perhaps, it was a very important and major piece, but still it was not the total piece.

Events in the past 10 years have demonstrated clearly and convincingly that the policy of adjustment and normalization with China was fully justified. In fact, 10 years later, the relationship with China has become very strong, cordial and friendly, and even, to a certain extent, very intimate. So much so that it has given rise to some criticism, partly within the country and partly outside, that we have been too close to China.

I think from a foreign policy point of view, in the 50's, 60's and up to the 70's, we were very close and intimate with the U.S. But unfortunately, circumstances have prescribed that our relationship with the U.S. then was often viewed as a sort of patron-client relationship, master and servant. Of course this is leaving aside the good intention of our good friend, the U.S., but it was often perceived in such a light by many people, particularly by members of the Third World.

I think the feeling then, in the mid-seventies, was then we should try to extricate ourselves from this intimate relationship, ~~the~~ patron-client relationship with the U.S. And yet we should still remain a good friend and trusted friend of the U.S.

But the trust of our re-orientation then was that we should balance our close and cordial relationship with the U.S. with some very good relationships with some other states.

This is where China came in. We thought we should try to have good and cooperative relationships with a neighbouring country, which may have been under communist rule and yet...you know, we have reached a point where we are aware of the fundamental changes in the world, that even among the communist countries, we have to be more selective.

There can be communists who are our enemies, there are communists who are our adversaries, and there are also communists with very strong nationalistic tendencies which may wish to work with non-communist nations like Thailand or which may wish to live or co-exist peacefully with non-communists like Thailand.

I think in our attempts to be more selective and to understand the global geopolitics of the 70's better, we thought that we should cultivate new friends while maintaining the friendship of the old friends. We should increase our options.

We knew that in any attempts to maintain peace and stability in Southeast Asia, China is an important factor and a factor which has just begun to be involved in this process.

But as I said, 10 years after the normalization, there has been some [words omitted] Thailand may have grown too close to China and in this process, we might inadvertently permit ourselves to be dictated by Chinese policy. Whether that criticism is valid or not, I have no way of knowing, because I am no longer involved in the government policy.

But I think on the positive side, definitely, it's a very healthy relationship and I think that now, 10 years later, the Chinese are really taking a lot of trouble to commemorate the 10th anniversary.

As I understand it, this (the commemoration) is not a common event in China. If you recall, in 1971, perhaps 30-50 countries normalized their relations with China. I don't believe that every time a 10th anniversary takes place, the Chinese take the trouble to commemorate it. But in the case of Thailand, I think they have made a special effort to make this arrangement, to honour M. R. Khukrit personally, and also to honour Thailand. And I think this is a gesture of real friendship.

CSO: 4200/1180

THAILAND

DEPUTY PREMIER COMMENTS ON RELATIONS WITH PRC

BK280600 Bangkok THE NATION REVIEW in English 28 Jun 85 p 3

[Text] Deputy Prime Minister Phichai Ratakun yesterday said that Thai-Sino relations are supported by the peoples of the two countries, and that makes the bilateral ties unique.

Phichai said that there has been continuous contact between the two countries for the past several hundred years, especially on a people-to-people basis, even during lulls in government relations at certain periods.

He told the participants in the two-day conference on Thai-Chinese economic relations at the head office of Bangkok Bank yesterday that since the establishment of diplomatic relations on 1 July, 1975, bilateral ties have strengthened and in recent years China has given a great deal of attention to the promotion of investment and joint ventures.

Paung Rongqian, a senior official of China's Foreign Trade Ministry, yesterday presented one of the most comprehensive articles on Thai-Sino trade relations. He said that China has been trying to increase Thai imports to improve the trade deficit suffered by Thailand. "The problem is, we have to find out that what kind of Thai products are most desirable in China," he said, adding that some Chinese trading firms also complain about the high price of Thai products.

Trade relations between the two countries, Pang added, have been supported by low transport fees due to the close proximity of the nations and the important role played by the overseas Chinese community here in developing and strengthening trade.

The Chinese scholar added that both countries must explore more products to be traded. He said that Thailand should shift the emphasis to industrial products such as electronic goods, paper pulp, glass, mixed rubber and cements. The Chinese, should expand exports to Thailand to include equipment, chemicals and light industrial products.

He was confident that Thailand could sell more by making her products better known in China. "Since 1976, China has set up several exhibitions here, but Thailand has not staged any exhibitions in China," he said.

The advertising of Thai products is also important, he said, to promote sale in his country.

In another article on Chinese overseas investment, Pang pointed out that there are several factors which can hamper Chinese joint ventures in Thailand. The lack of sufficient understanding of local conditions, wrong partners and fields of investment are prime factors, he said.

CSO: 4200/1180

THAILAND

EDITORIAL ON PRC TIES ANNIVERSARY

BK010319 Bangkok THE NATION in English 1 Jul 85 p 4

[Editorial: "Fruitful 10 Years of Relations With China"]

[Text] It was the worst of times for China: it was not the best of times for Thailand. But 40 years ago today Thailand and China established diplomatic relations. China had just emerged from a disastrous cultural revolution and the 'Gang of Four' was on the rampage. Chairman Mao Zedong, 'the Great Helmsman,' was in extremely frail health and was to die the following year. Thailand had emerged from the heart-wrenching student uprising of 1973 and, after a transition period, M. R. Khukrit Pramot emerged as the prime minister of a fledgling democracy at the head of a discordant coalition which he could not hold together for more than a year.

It was Henry Kissinger's famous 'Pakistan bellyache' that produced the joint announcement in Washington and Beijing that the U.S. and China were opening lines of communication and then President Richard Nixon was to visit the country. The announcement stunned the world and countries were leap-frogging over each other to secure diplomatic relations with China.

At that time, the issue never surfaced in Thailand was very important because she was going through her own political throes--the 1971 coup d'etat, the demand for a constitution, the now-forgotten 'Constitution 13,' and all culminating in the student uprising of 1973 that tore the country apart. After a cooling off period during the Sanya Thanmsak administration, general elections were held and Mr. R. Khukrit emerged as prime minister at the head of a precarious coalition.

There were many exchanges of visits by the leaders of the two countries but China's role in Southeast Asia heightened as from December, 1978, when Vietnam invaded Kampuchea. Since then, in the various aspects relating to that problem, China has closely worked with ASEAN. Two of ASEAN members do not have diplomatic relations with China. Indonesia had relations but suspended them in 1965 after the abortive but bloody coup and has not seen fit to resume it. Singapore always had some sort of de facto recognition of China, but has said that, because of her predominant Chinese population, she will officially normalize relations only after Indonesia.

Not only did China teach a 'first lesson' to Vietnam in February, 1979, but she became the only arms supplier to the Khmer Rouge until such time as the Coalition Government of Democratic Kampuchea was formed and she started supplying arms to the resistance forces of all three factions. Singapore is the only other country helping the resistance forces with some tactical weapons but her assistance is moderate.

Despite the differences in political ideology, China's relations with Thailand and fellow-members of ASEAN have steadily grown. One must always remember that China is the biggest country in the world and her role in international politics must be multi-faceted. While her relations with Japan have been on an even keel, her relations with the U.S. have cooled somewhat during the Ronald Reagan administration.

China's relations with the Soviet Union have not been as acrimonious as before although she insists on the three preconditions of withdrawal of Soviet troops from her border, withdrawal of Soviet troops from Afghanistan and an end of aid to Vietnam to help her conquer Kampuchea fully. With Deng Xiaoping as the leader, she has managed to solve the problem of Hong Kong with Britain. It is reunification with Taiwan that has ruffled relations with the U.S.

But for us, we have to look upon China as a stabilizing factor in superpower rivalry and against Vietnamese expansionism which Beijing calls 'regional hegemony.' China has a distinct role to play in Southeast Asia and we hope that this is being underlined again by M. R. Khukrit and Foreign Minister Sitthi Sawetsila, who are now making their timely visit to Beijing.

CSO: 4200/1178

THAILAND

EDITORIAL MARKS ANNIVERSARY OF TIES WITH PRC

BK010322 Bangkok BANGKOK POST in English 1 Jul 85 p 4

[Editorial: "A Decade of Sino-Thai Links"]

[Text] Today Thailand and China celebrate their 10th anniversary of resuming diplomatic relations which had been broken off in 1949 when the communists came to power in Beijing. It is appropriate that one of the architects of the detente and the person who signed the 1975 communique, former prime minister M.R. Khukrit Pramot, is currently in Beijing for the anniversary celebrations. On earlier visit M. R. Khukrit met both the late Mao Zedong and Zhou Enlai and understands as well as anyone the importance of Sino-Thai relations.

For the two countries, the past decade has seen great progress in both diplomatic and economic relations. Recent years have seen three Thai prime ministers visit Beijing as well as hundreds of high-ranking officials. These visits have been reciprocated with both Chinese leader Deng Xiaoping and Premier Zhao Ziyang coming to Thailand. Earlier this year during President Li Xiannian's visit an invitation was extended to His Majesty the King to visit China. This is little short of remarkable considering China for years had actively backed communist insurgency in Thailand. China has also proved to be a strong supporter of ASEAN, and Thailand in particular, on the complex Kampuchean issue.

However, there is one area that has not progressed quite as satisfactorily as Thailand would have hoped. This is in the important realm of trade. When Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila in Beijing yesterday urged China to refrain from competing with Thailand for Third World markets he had much to back up his argument. After an initial flourish in trade relations after the 1975 agreement, there has been a slump in trade between the two countries since 1981. Worse from Thailand's viewpoint is that apart from 1982 we have had a trade deficit with China, a deficit that does not look like narrowing if we are to continue to be an importer of Chinese oil.

During the past five years, because of increased productivity at home, China has been buying fewer agricultural products and in some cases, such as maize, has become a competitor with Thailand for traditional Thai markets. This is obviously causing some concern here and it is hoped the present Thai

delegation in Beijing will be able to effectively persuade China to rethink some of its trading policies.

The problems of the trade deficit however, should in no way unsettle the warm relationship that has developed between our two countries during the past decade. We have every confidence that the following decade will prove as fruitful for Sino-Thai relations as the last.

CSO: 4200/1183

5 August 1985

THAILAND

KHUKRIT ASSAILS GOVERNMENT 'SPENDING SPREE'

BK040336 Bangkok BANGKOK POST in English 4 Jul 85 pp 1, 3

[Text] Social Action Party [SAP] leader M. R. Khukrit Pramot and three other pro-Government MP's yesterday criticised the government's handling of the economy during the 1986 Budget Bill debate which lasted for about 10 hours.

Opposition leaders were quick to point out that M. R. Khukrit's statement reflected increasing dissatisfaction within the Coalition Government which indicated that a major political change was in the offing. They went so far as to predict a dissolution of Parliament followed by a general election as a way out for the fourth Prem Tinsulanon Government.

However M. R. Khukrit said he sympathised with the government and Finance Minister Sommai Huntrakun for introducing "a budget of stagnation," a phrase he took from the opposition Chat Thai Party.

M. R. Khukrit said as a leader of a coalition party he could not oppose the government's most important piece of legislation. He said he was compelled to speak because Gen Prem has failed to give an adequate explanation of the budget and had not spelt out clearly the problems plaguing the economy.

"I have to speak out here because no one listens to me elsewhere," he said.

The country's debt situation was the main reason for the government's belt tightening on spending, he said.

The 218,000 million baht budget proposed by the government for the next fiscal year represents a mere 2.3 percent increase on this year's budget, or a 4.3 percent increase if the 4,000 million baht reduction on planned expenditure is taken into consideration.

Khukrit said the debt situation was becoming so serious that it had almost reached a critical level.

He also noted that while the proposed allocation for investment totalling around 35,000 million baht remained unchanged from this year, the allocation for debt repayment had risen sharply by 6,000 million baht to 50,719 million representing an increase of 13.5 percent. The debt service accounts for 23.3 percent, or nearly a quarter of the budget.

He said if debts continued to mount up over the next few years a major economic crisis would befall the nation.

Urging the government to stop borrowing and to cut down spending, he said reductions were possible in defense. "We have borrowed far too much. It's time we stopped this spending spree," M. R. Khukrit told the House. "If the economy will stagnate, so let it be. Otherwise the house will collapse."

He said if the situation persisted unchanged for another few years, the government would be forced to choose between "guns and rice." He appeared to be referring to the proposed defence allocation of 41.257 million baht, the second highest on the list.

The SAP leader went so far as to charge that because of large external debts, the country had lost its independence in fiscal and monetary policy formulation to the International Monetary Fund. The country has entered into a stand-by agreement with the IMF which would provide emergency credit in the wake of severe payments deficits.

He said the baht devaluation and the tax increases in April had been ordered by the IMF. He added that because of Mr Sommai's good relationship with the Japanese, Thailand seemed to be borrowing more and more from Japan.

That charge was later denied by Mr Sommai, who admitted that a stand-by agreement with the IMF existed. But the finance minister said Thailand was still a long way from being bankrupt like Mexico, Argentina and the Philippines. He said the IMF agreement served as a guarantee if it came to the worst.

M. R. Khukrit took to the floor after seven Opposition MP's and two MP's from the SAP had criticised the Government. Most of that criticism centered on broad issues such as the composition of the budget bill, the highest allocation slated for debt repayment, the high defence allocation and the general decline in the size of budgets for improving the economy, education and health.

The debate was marked by repeated criticisms of the tax increases and the baht devaluation. Although the tax increases were blamed for the revenue shortfall, Mr Sommai claimed that excise duty revenues had actually risen following the tax increases on beer and whiskey.

The baht devaluation was blamed for severe difficulties throughout the economy.

M. R. Khukrit began by saying that he was compelled to explain the Budget Bill to the House because the prime minister had not done so and had merely read out a prepared statement at the beginning of the session without offering adequate explanations or spelling out clearly why it was necessary to introduce a zero-growth budget.

M. R. Khukrit said he agreed with Opposition leader Maj-Gen Praman Adireksan that the budget would cause economic stagnation and create further unemployment.

He urged the government to step up its efforts to find new markets for Thai goods, while acknowledging that protectionism in industrial countries was a major problem hindering trade expansion.

He said the government should encourage the private sector to do what the government could not do itself--expand to create more jobs. He said the private sector should not be hampered by restrictive measures such as a limit on credit extension by commercial banks and high taxes.

The SAP leader said his party would continue to support the government and Mr Sommai and drew attention to the number of votes the finance minister received in the recent no-confidence debate against four economic ministers.

"Mr Sommai got the highest number of votes only because the SAP is all in one. Not because of Col Phon (Roengprasoetwit)," M. R. Khukrit said, drawing a roar of laughter from the floor.

Mr Sommai then thanked the SAP leader for his pledge of support for himself and the budget and went on to clarify some of the points he had made.

The finance minister said since he took office in 1981, Thailand had borrowed U.S. \$5,632 million (152,000 million baht) from abroad. The largest portion of foreign loans representing 35.7 percent of the total came from the World Bank and the Asian Development Bank, rather than Japan.

However, he admitted that Japan has become a very attractive source of soft loans.

CSO: 4200/1183

THAILAND

OFFICIAL ON MALAYSIAN EXTENSION OF SEA ZONE

BK260614 Bangkok BANGKOK POST in English 26 Jun 85 p 3

[Text] Malaysia is expected to soon enact a law extending its exclusive economic zone to 200 miles off its coast and fishery law offenders will face a fine of M\$1 million, the Fisheries Department warned local fishermen yesterday.

Department chief Wanit Warikun said the Malaysian Government late last year proposed two draft bills extending the economic zone to parliament for considering and they have both been approved and enforcement was expected to take place soon.

It empowers Malaysian authorities to stop and search vessels sailing in its waters if suspected of violating or attempting to violate the fishery law.

It also allows Malaysian officials to arrest suspects and confiscate their vessels, cargo, catch and equipment suspected to have been used in executing the offences.

Mr Wanit said foreign vessels and crews found violating the new law face heavy penalties with the vessel owner or captain in for a maximum M\$1 million fine and the crewmen M\$100,000 each.

He admitted that Thai fishermen frequently violated Malaysian fishery laws and warned them about the new penalties.

CSO: 4200/1183

THAILAND

HOUSE PASSES BUDGET BILL AFTER 'MARATHON DEBATE'

BK040308 Bangkok BANGKOK POST in English 4 Jul 85 pp 1, 3

[Text] The House of Representatives voted 186:52 to pass the 1986 Budget Bill last night after a marathon debate.

Apart from the lively exchange between Social Action Party leader M. R. Khukrit Pramot and Finance Minister Sommai Huntrakun, the debate seemed to have attracted very little attention, even from the MP's themselves.

House Speaker Uthai Phimchaichon spent about half an hour calling the resumption of the session at 1:30 p.m. after the lunch break. Several MP's were needed to make a quorum at about 1:55 p.m. because most had either left Parliament or were hanging around outside the chamber.

Chat Thai MP's appeared to have been ill-prepared for it and the least enthusiastic to hear their own debate. Most Opposition speakers centered on only very few broad issues such as debt repayment, revenue shortfalls, and defence spending. The credit growth restriction early last year, baht devaluation last November and tax increase last April were the major targets for the Opposition speakers to stress the government's past policy mistakes.

And of course, the question of whether it was the right thing to do in purchasing the P-ly's emerged time and again during the debate.

The session began at 9:30 a.m. followed immediately by a protest from Chat Thai MP Songtham Panyadi over the government's ban on live broadcast of the debate on the ground that the Public Relations Department could face libel suits for broadcasted defamatory remarks made by MP's on outside parties.

After Mr Songtham was stopped by the House Speaker, the Prime Minister Prem Tinsulanon then read out a prepared speech outlining the 1986 budget. He said the budget is aimed primarily at economic and financial stability because of its relatively small planned growth.

"Unless the country's financial and monetary systems are steered in the right direction, it may lead to an economic crisis," Prem told the House. "In solving these economic woes, the government had to implement a number of monetary

measures to create stability. But it is still necessary to introduce restrictive fiscal policies to try to solve these problems."

He said the 1986 budget is based on three factors--realistic revenue targets, cost-effectiveness and high priority of projects, and a proper level of budget deficit.

Chat Thai leader Maj-Gen Praman Adireksan then read out his prepared text during which he called it the "budget of stagnation."

Before M. R. Khukrit delivered his sprightly remarks, two of his MP's, Wirakon Khamprakop (Nakhon Sawan) and Chaloen Benhawan (Yala), rose to denounce the government's latest tax increases and called on Gen Prem to take responsibility for a string of collapsed businesses.

CSO: 4200/1183

THAILAND

KHUKRIT CONFIDENT OF ELECTORAL MOTION APPROVAL

BK270205 Bangkok THE NATION REVIEW in English 27 Jun 85 p 3

[Text] Social Action Party (SAP) leader M. R. Khukrit Pramot yesterday expressed confidence that his Constitution amendment motion will win final approval from Parliament.

The SAP leader said the amendment motion which calls for the change of the electoral system from the present combined constituency and party ticket to the multiple constituencies with individual candidacy would definitely pass the second and the final readings of the Parliament.

Khukrit said his optimism came after there had been several indications during the past week that all sides had softened their positions and were likely to reach a compromise.

Moreover, he added, the key advocate of the so-called "one man, one vote" system, Minister Attached to the Prime Minister's Office Mechai Ruchuphan, had withdrawn his reservations to debate his proposal in the second reading.

Mechai's move is seen by political observers as a major concession in order to ease the tension among the Parliamentarians who are trying to narrow their differences over the electoral pattern.

The SAP last week appointed Foreign Minister Sitthi Sawetsila as a mediator to negotiate with the Senate, other political parties, and also the government in order to seek a compromise proposal for the Charter amendment.

Khukrit, who will today leave for Beijing to celebrate the 10th anniversary of diplomatic relations between Thailand and China, said he would be back to vote for his Constitution amendment motion in the second reading scheduled for 5 July.

Meanwhile, Democratic Spokeswoman Suphatra Matdit said after the party meeting yesterday that her party agreed to render its support to the multiple constituencies and individual candidacy system proposed by the SAP leader.

She said the party meeting ruled that the system was suitable for the country's present stage of political development, while the one MP, for one constituency

system was too advanced for the present political circumstances and would not promote the development of a strong political party system.

However, Suthat Ngoenmun (Ubon Ratchathani) who has reserved for the right to debate in support for the "one man, one vote" system said he would not withdraw his reservation.

"I am entitled for the reserved right to debate to advocate the system of one constituency, one representative. But I will not violate the party's resolution although it will be against my feeling," the Ubon Ratchathani MP said.

CSO: 4200/1180

THAILAND

MAE CHAMOY CHIT FUND SCANDAL, REPORTAGE CONTINUES

'Influential Figures' Blamed for Collapse

Bangkok BANGKOK POST in English 30 Jun 85 pp 1, 3

[Excerpts] Mrs Chanoi Thipso yesterday asked Crime Suppression Division [CSD] police to find a man called "Mr Prasit," claiming that he is a friend who could help her settle the repayment problem.

CSD Commander Maj-Gen Bunchu Wangkanon quoted Mrs Chanoi as saying that she and Mr Prasit, whom nobody seemed to know anything about, have known each other for over 10 years and she fully trusted his integrity and good intentions towards her.

Major clients contacted by the BANGKOK POST last night questioned the existence of Mr Prasit and said it could be a ploy by Mrs Chanoi to direct public attention away from her responsibility to repay clients.

The CSD commander said he asked Mrs Chanoi, who Mr Prasit was, but she refused to elaborate, saying only that he was the man who could help her settle the problem.

He said that Mrs Chanoi promised to reveal the identity of the "mastermind" who was behind her business soon.

Maj-Gen Bunchu added that Mrs Chanoi also asked him for permission to meet the press. Mrs Chanoi was told to wait until investigations had been completed and then police will decide whether or not they should allow her to meet the press.

So far 229 clients have filed complaints with police both at the CSD headquarters in Sampot and at the Air Force gymnasium at the Sixth Wing in Don Muang with a total amount of 90 million baht involved.

About 2,000 of Mrs Chanoi's clients yesterday turned up at the home of Pan Hansongkham in Bang Khen for a meeting to decide their next move. So far the group has refused to file complaints, saying that they needed government assurance that they would not be taxed for their past earnings from the chit fund business.

During the meetings, leaflets containing information and names of Mrs Chamoi's family members and addresses were handed out. The leaflets also claimed that some influential figures had forced Mrs Chamoi's business to collapse.

Maj-Gen Bunchu yesterday repeated his warning to Mr Pan's group to file complaints with the police so that they might be able to retrieve some of their money.

More Arrests Expected

BK291246 Bangkok BANGKOK POST IN English 29 Jun 85 p 1

[Text] More people will be arrested today in connection with Mrs Chamoi Thipso's chit fund business, Crime Suppression Division [CSD] sources said last night.

About 100 CSD officers are closing in on at least 20 people who are either Mrs Chamoi's agents or relatives believed to be involved in her chit fund. The arrests are expected to offer new clues into the disappearance of more than 4,000 million baht from her bank accounts, the sources said.

CSD Commander Maj-Gen Bunchu Wangkanon yesterday warned agents to report to police or else face being arrested.

The money missing from Mrs Chamoi's accounts is believed to have already been transferred to her relatives and some of her agents and influential clients, officials said.

They said the transfers must have taken place both before and after the collapse of the chit fund.

"We have sufficient evidence showing the transfer of money out of her bank accounts," Bank of Thailand Assistant Governor Mr Phaisan Kumalavisai told a news conference. He said according to official estimates made last year, Mrs Chamoi had at least 4,000 million baht. Most of her money was deposited with several commercial banks.

However a source on the committee empowered to enforce the Chit Fund Act, of which Mr Phaisan is a member, confirmed Mrs Chamoi now had only 10,000 baht left in her bank accounts.

Mr Phaisan said if Mrs Chamoi was convicted in court for violating the Chit Fund Act, authorities would be entitled to confiscate all the assets she had transferred to other people during the three years before the ruling. Unmovable assets would be sold and the money would be put into a fund for repaying her clients. He stressed that only those who had filed complaints with authorities would be entitled to the money.

A problem may arise, however, as many documents given to clients were backdated to before last November when chit funds were outlawed.

Mrs Chamoi told police on Thursday that she had no more money left to repay clients because she had been cheated by some of her agents and clients.

But yesterday she reportedly told Maj-Gen Bunchu that she would try to repay as much money as possible. That conflicted with an earlier statement and could indicate that she still has a large sum of money somewhere.

Meanwhile CSD police reported that 136 clients have so far filed complaints against Mrs Chamoi involving 57 million baht.

Maj-Gen Bunchu yesterday sent 25 police officers to the Royal Thai Air Force gymnasium to receive complaints and 73 clients turned up to lodge them.

However over a hundred clients were reluctant to file complaints because they were worried that the Revenue Department would tax their earnings from the chit fund.

The CSD team will continue receiving complaints from Air Force officers and the general public at the gymnasium.

Maj-Gen Bunchu said clients should not be afraid to being taxed because the Chit Fund Act seeks to protect and help them from unscrupulous chit fund operators. He urged them to file complaints so that they could become witnesses and give testimonies.

The CSD Commander said Mrs Chamoi had said that many of her agents had cheated clients by keeping their investment money and by forging her signatures on cheques. She claimed that they had then tried to persuade cheated clients not to file complaints because they would be discovered.

According to Maj-Gen Bunchu, Mrs Chamoi said she had always included a coded mark in signatures written for clients. However, she admitted that most of the people who have filed charges against her so far were her real clients.

The CSD Commander said police investigators have carefully examined the documents shown to them by clients. These officers, he said, could tell the difference between a forged and a genuine Mrs Chamoi signature.

He emphasized that clients who did not file complaints risked losing all their investment money.

He went on to challenge the agents to bring in their clients to prove their innocence.

Maj-Gen Bunchu and Assistant Police Chief Lt-Gen Chamrat Chantharakhachon spent about half an hour yesterday questioning Mrs Chamoi, who was interrogated by other CSD officers throughout the day.

In a press conference Lt-Gen Chamrat urged clients to report to the police and promised them confidentiality. He said authorities planned to take legal

action against Mrs Chamoi under the Chit Fund Act and would file bankruptcy charges against her to retrieve some money for her clients.

Police Have Evidence to Charge Chamoy

BK020423 Bangkok BANGKOK POST in English 2 Jul 85 p 1

[Excerpt] Crime Suppression Division [CSD] police say they have enough evidence to charge Mrs Chamoi Thipso with violating the Chit Fund Act.

If she is convicted authorities are empowered to sequester her assets and money she has transferred to others during the past three years, CSD Commander Maj-Gen Bunchu Wangkanon said yesterday.

It is the first time the CSD has said it has enough evidence to charge Mrs Chamoi on this count, in addition to the fraud charge she is already facing. Although 741 clients have filed complaints against Mrs Chamoi concerning about 200 million baht, police have had difficulty in obtaining documents dated after the law went into effect last November. That law requires the amount of money involved to exceed five million baht with more than 10 clients as damaged parties.

Most of the documents handed over by clients had been issued before the law was introduced and police claim that some of them have been backdated by Mrs Chamoi to avoid breaking the new law.

Impounding her assets appears to be the only chance authorities have of retrieving part of the money invested by Mrs Chamoi's clients. Only 10,000 baht is said to be left in her bank accounts.

The Bank of Thailand estimates that at least 4,000 million baht disappeared from Mrs Chamoi's bank accounts shortly before she went into hiding in March. Mrs Chamoi says she has no money left to pay back her clients.

She will appear in the Criminal Court today when police apply to have her period of custody extended. She will have been held for seven days and police are entitled to seek a 12-day extension for further questioning. They can do this seven times before the case has to be filed in court.

Informed CSD sources said police would oppose any attempt to have Mrs Chamoi released on bail because of the large amount of money involved. After appearing in court, Mrs Chamoi will be transferred to the Women's Detention Centre at Latyao Prison in Bang Khen where police will continue to question her.

Meanwhile the CSD commander yesterday ordered top security at headquarters after hearing that a large group of clients led by Parn Harnsongkhram would come to see Mrs Chamoi. The group claims to represent 6,000 clients.

BK010355 Bangkok BANGKOK POST in English 1 Jul 85 p 3

[By Rungruang Prichakun and Phichai Chunsuksawat]

[Excerpts] As the investigation into the chit fund activities of Chamoi Thipso continues, the controversy could become messy with the revelation that those connected with the "oil share" express number more than that known.

For this reason, many chit fund clients and informed Air Force sources feel certain all will not be revealed.

Even now, some of the chit fund clients say, there are several unanswered questions in the investigation itself.

One fresh mystery is Mae Chamoi's appeal on Saturday that a good friend of hers named Prasit (the surname was not announced) came to her aid.

Chamoi's request was issued through Crime Suppression Division (CSD) Commander Maj Gen Bunchu Wangkanon.

Maj Gen Bunchu told the press that Mae Chamoi refused to tell him the surname but informed sources claimed last night that the surname of the mysterious Mr Prasit is known by the authorities because Chamoi herself told them.

CSD officials could not be contacted for comment last night.

They also claimed that he may be a former high-ranking government official who at one time was connected with the oil share express.

Informed Air Force sources confirmed to the BANGKOK POST last night that while Chamoi was detained under the Air Force protection, the Air Force committee set up to investigate her activities was given the name of this Mr Prasit.

The sources added that the committee was also given the name of an Air Vice Marshal believed to be the main agent for Chamoi in the Air Force.

According to Air Force and client sources, the Air Vice Marshal gathered money from clients and, paid Chamoi, who in turn issued cashiers cheques to him when interest payment time arrived.

The Air Vice Marshal, the sources claimed, then paid the clients by issuing cheques in his name.

A number of chit fund clients claim that Mae Chamoi is really only a "puppet," in a business organised by much more influential persons.

Air Force sources said, however, that the investigative committee does not believe that the Air Vice Marshal is one of the main organisers.

"I'm sure Mae Chamoi is not acting alone," said a 36-year-old Agriculture Ministry official, adding "there must be others behind her."

"She's just a front, a puppet or a scapegoat," he said.

JPRS-SEA-85-119
5 August 1985

Client Questions Delay Arrests

BK291008 Bangkok BANGKOK POST in English 29 Jun 85 p 1

[Text] The leader of Mrs Chamoi's chit fund clients yesterday questioned the necessity of holding her in custody for nearly a month before letting police take over the case.

Pan Hansongkham said he was very suspicious of the developments leading to Mrs Chamoi's arrest and her latest statement that she had no money left to repay clients.

"When Chamoi showed up, the Air Force kept her in custody and told us clients that there was enough money to pay back part of our investment," said Mr Pan, who himself had invested over three million baht. "All of a sudden she came out and said she had no money left."

He called on the government to publicly announce that it will not tax clients who report their cases to police.

"We have lost a lot of money already, we don't want to lose any more," he said. "We just want our money back."

Athit Orders Chamoy Arrest

BK270215 Bangkok BANGKOK POST in English 27 Jun 85 pp 1, 3

[Excerpt] The country's most celebrated chit fund operator, Mrs Chamoi Thipso, was arrested yesterday and charged by the police with cheating the public.

Air Force Commander-in-Chief Air Chief Marshal [ACM] Praphan Thupatemi disclosed last night that Supreme Commander General Athit Kamlang-ek yesterday morning issued an order to the RTAF [Royal Thai Air Force] guards to hand over Mrs Chamoi to the police on the grounds that it was more appropriate for civil officials to take care of her.

Ever since she resurfaced on 7 June after three months in hiding, Mrs Chamoi has been under the protection of RTAF guards in the Dong Muang area and had only been seen in public once prior to her arrest yesterday by Crime Suppression Division [CSD] police.

ACM Praphan said that he personally consulted General Athit before attending the Defence Council meeting yesterday about how to handle Mrs Chamoi's case following her re-emergence early this month in order to meet her investors.

He also said that after having secured protection for Mrs Chamoi, he knew nothing more of her activities until recently when reports began to circulate indicating that she would not be able to repay her investors in full.

The Air Force commander-in-chief said that he was concerned about such reports and approached General Athit with a suggestion that it would be more suitable to let the police handle the case. He added that General Athit agreed and then ordered RTAF guards to hand over Mrs Chamoi to the CSD.

He added that any investors who wished to lodge complaints against he could do so by contacting the CSD police now that she had been transferred from military to police custody.

The commander-in-chief categorically denied widespread reports that most of the senior military officers who were involved in the chit fund had already been repaid.

An informed police [word indistinct] General That's order was sent directly to Police Director-General Narong Mahanon, who immediately ordered Pol Lt-Gen Sanoee Damaphong, commissioner of the Central Investigation Bureau, and CSD commander, Pol Maj-Gen Bunchu Wangkanon, to pick up Mrs Chamoi from RTAF officials.

Chamoy: No Funds to Pay Clients

BK280310 Bangkok BANGKOK POST in English 28 Jun 85 p 1

[Excerpt] Mrs Chamoi Thipso has told police interrogators that she has no money left to repay her chit fund clients, Crime Suppression Division [CSD] Commander Maj-Gen Bunchu Wangkanon said yesterday.

This is the first time that Mrs Chamoi has admitted having no money left to pay back her clients. Earlier she had been quoted as saying that she would pay back an unspecified percentage of their investment.

According to Maj-Gen Bunchu, Mrs Chamoi claimed that she had been cheated by some of her own clients and people close to her.

He said that Mrs Chamoi told the investigators during her second day in police custody that she would be going to jail since she had no money left to pay back her clients.

Mrs Chamoi's statement was confirmed by a source in the committee empowered to act under the Chit-Fund Act. The source said Mrs Chamoi had only about 10,000 baht left in her bank accounts under her own name. That amount of money has been frozen by the Revenue Department after she failed to pay 41.6 million baht in business tax.

The committee source claimed that Mrs Chamoi had already transferred nearly all of her money and properties to senior Air Force officers, who invested with her.

Only after it was found out that she had no money left to repay other clients was she handed over to the police.

At the CSD headquarters in Sampot, 31 chit fund clients filed complaints with the police claiming they had invested some 28 million baht with Mrs Chamoi. One of them, Sawat Sound, 51, reportedly told police he had invested 14.6 million baht.

BANGKOK POST reporter Rungruang Chinakun said that many people who were believed to be Mrs Chamoi's clients hung around the CSD headquarters all day, but were hesitant to go in and lodge complaints for fear of the crowd of reporters and photographers gathered there.

Some of them privately told Rungruang that they were unsure if they would get their money back. One of them who came to see Mrs Chamoi at CSD headquarters on Wednesday claimed to have invested 18 million baht with her but later left the police headquarters without filing a complaint.

Meanwhile, Maj-Gen Bunchu said he had ordered his men to begin taking complaints from Mrs Chamoi's clients both at the RTAF [Royal Thai Air Force] gymnasium, where Mrs Chamoi made her first public appearance after she came out of hiding early this month, and the CSD headquarters. The two CSD teams will comprise about 60 men.

Hundreds of clients who had nearly given up hope of retrieving their investments are expected to show up today to formally file complaints against their once revered chit fund operator.

The CSD representatives will also confer with the committee empowered to enforce the Chit Fund Act today to report on the progress of the investigation and hear recommendations from team members, including representatives of Finance and Interior Ministries and the Bank of Thailand, on how to handle the case.

CSD interrogators yesterday began questioning Mrs Chamoi at 9:30 a.m. and stopped at noon for a lunch break, during which time her daughter was allowed to see her. The questioning resumed at 1:30 p.m. and ended shortly before 8:00 p.m. when she was put back in her cell.

A tired-looking Mrs Chamoi smiled as she emerged from the questioning. She told newsmen that she had very little sleep on Wednesday night and spent most of the time talking to the two women police officers assigned to look after her.

Security at the CSD was tight with 12 fully-armed commandos on guard around the clock.

Police interrogators said that Mrs. Chamoi could face charges of fraud and violation of the Chit Fund and the Finance and Credit Foncier Acts.

Clients File Charges

BK290849 Bangkok THE NATION REVIEW in English 29 Jun 85 pp 1, 2

[Text] The high-level working group enforcing the royal decree outlawing unorganized money games will direct its investigation into the connections behind the chit fund pool operated by Mrs Chamoi Thipso, a senior police official said yesterday.

Assistant Police Director General Pol Lt Gen Chamrat Chankhachon said the working group, yesterday began processing charges filed by Chamoi's clients against her.

Chamrat, who is also a member of the working group, said it is important to find out how many clients were involved in the chit fund pool and the connections behind it.

CSD [Crime Suppression Division] Commander Pol Maj Gen Buchu Wangkanon said another 84 clients of Chamoi yesterday filed charges against her. He said 31 of them did so at the headquarters of CSD and the others at the gymnasium of the Royal Thai Air Force in Don Muang where a special complaint centre was set up.

Bunchu said so far a total of 136 clients filed charges against Chamoi. They claimed to have invested over 57 million baht in the chit fund pool.

Members of the high-level working group, comprising representatives from the Finance Ministry, the Bank of Thailand and the Police Department, met yesterday to discuss the latest development in Chamoi case. They also processed charges filed against her.

Chamrat told reporters after the meeting that the working group is in the process of deciding whether Chamoi can be charged for violating the royal decree outlawing chit fund business.

He urged clients of Chamoi to file charges against her with the police.

He said under the royal decree, a person can be charged ~~when~~ he or she operates a chit fund pool with more than 11 clients and with combined investments of over five million baht. The chit fund pool must also be organized after the implementation of the royal decree on 27 November 1984.

Many of Chamoi's clients were reluctant to file charges against her out of fear that they would have to pay income tax for interests they earned from their investments in the chit fund pool.

Chamrat gave them an assurance that their identities would be kept confidential if they came forward to file charges.

Chamoi yesterday spent her third day in detention at the headquarters of CSD in Samyod where she continued to be questioned.

The CSD chief said Chamrat also took part in the questioning of Chamoi yesterday. He quoted Chamoi as claiming that she had been cheated by agents of her chit fund pool who took away most of her money.

When asked whether Chamoi had revealed the identities of the people behind her chit fund pool, Runchu said Chamoi would do so soon.

Chamoi, who was arrested by CSD police on Wednesday on fraud charges, admitted on Thursday that she had no money left to repay her clients.

Assistant Governor of the Bank of Thailand Phaisan Kumalawisai, who is also a member of the high-level working group, said authorities are making an assessment of the value of Chamoi's assets. He said as of last January, Chamoi was found to have more than 4,000 million baht in bank deposits.

He said during the past several months, Chamoi's assets were secretly transferred.

Meanwhile, Air Force Commander-in-Chief ACM Prahphah Thupatemi said the Air Force is only providing facility for the police in dealing with Chamoi case but has nothing to do with it.

He said there was hope that Chamoi's clients would get some refunds.

One of Chamoi's daughters and some relatives yesterday visited her with some food.

Chamoi was questioned throughout the day and was taken back to a cell in CSD at around 10.45 p.m.

Editorial On Case

BK291244 Bangkok THE NATION REVIEW in English 29 Jun 85 p 4

[Editorial: "The Mae Chamoi Conundrum: Will Full Truth Come Out?"]

[Text] The chit fund pool started by Mr Chamoi Thipso (better known as Mae Chamoi) was so 'successful' that it became an avalanche of money pouring in and was given the name 'pyramid money game.' Nothing except the word 'game' seems to have any meaning at the present time. The mind-boggling extensiveness of this financial operation came to light through newspapers, forcing the government to look into various laws which were being violated. Then a royal decree had to be issued to ban it.

'Len Share' is a traditional sucker's game played at various levels which Mrs Chamoi (or some financial wizard behind her) converted into an unmanageable colossus. She has been under the protection of the Royal Thai Air Force for the past three months or so when various rumours were spread about her ability to repay her clients; then there was a public appearance by her saying that she will repay about 40 percent, and now Supreme Commander Gen Athit

Kamlang-ek says that she wanted to pay only three or four percent and so he gave the nod for her arrest.

Even if Mrs Chamoi goes to court, we wonder whether "the whole truth and nothing but the truth" will emerge. At the moment there are far too many questions that cannot be answered. There are of course any number of rumours, innuendos and speculation--some of which may, after all, be true--but it is almost impossible to eliminate the chaff.

Supposing Mrs Chamoi was an unscrupulous operator who wanted to make millions--nobody discounts that at one time or other she had tens of millions with her--why did she not leave the country with all the loot? If she did pile up millions in her heyday, where are all those millions? If you want to believe it, one client, Sawat Sondt, told reporters that he had invested about 14 million baht in the chit fund pool--what happened to that money? Is there any truth in the prevalent rumour that she is under the protection of somebody high up and so did not bother to leave the country?

The truth obviously lies buried deep in layers and layers of fact, fiction, fantasy and fraud. Peeling them to discover the nub will be an impossible task. What we presume is that from now on Mrs Chamoi will face the due process of law with a conclusion reached in a court of law. But how does that help people who together have lost tens of millions? For that we have an answer--they will find no redress.

It is easy for us to pontificate and say that people must learn a lesson from this and from now on should avoid getting involved in get-rich-quick schemes. But we also know that those lofty words will fall on deaf ears, human nature being what it is. People will gamble, people will get suckered into phony financial deals, and people will get cheated for not looking before leaping. But if this incident lessens the number of suckers--remember that "one is born every minute!"--then the big publicity given to the Chamoi 'game' would have served its purpose.

CSO: 4200/1179

THAILAND

POLITICIANS DISCUSS KHUKRIT'S 'OPEN ATTACK'

BK040110 Bangkok THE NATION in English 4 Jul 85 p 1

[Text] Politicians and analysts were scurrying for the significance behind the open attack launched by M. R. Khukrit Pramot against the government during the budget debate in the House yesterday. Most observers agreed that the impact would not surface as soon as the Opposition would like to think while the assault should not be taken lightly either.

Deputy leader of Chat Thai Party, Dr Anuwat Watthanaphongsiri, said shortly after M. R. Khukrit's speech that the SAP [Social Action Party] leader's comments signalled some possible changes in the near future.

Speaking outside the chamber, Anuwat said there might soon be a new election. He apparently indicated that Parliament might be dissolved. "The fact that the largest party in the coalition has said finance minister is no good in a democratic system would mean that if Soomai doesn't resign, then the prime minister would have to take action," he said.

But an executive of SAP said observers might be reading too much into M. R. Khukrit's speech. "There isn't too much political significance in the party leader's comments. In fact, Mr R. Khukrit has disagreed with Soomai's policies all along. Soomai was only concerned with providing the government with income while M. R. Khukrit was concerned with the well-being of the people," the SAP executive said.

He said Khukrit's strong remarks in the House yesterday would, however, not bring about any major political changes.

CSO: 4200/1178

THAILAND

ASEAN STANCE ON GATT SEEN

BK030355 Bangkok THE NATION in English 3 Jul 85 p 28

["Boardroom Memo..." column by Swadesh R. DeRoy: "ASEAN's Stance Misread"]

[Text] The Japan-ASEAN ministerial conference in Tokyo didn't end up last week the way its host had hoped it would. As the curtain was down on the talks, Foreign Minister Shintaro Abe and his colleagues suddenly realized that no ASEAN endorsement of a new round of GATT negotiations, pushed so eagerly by both Washington and Tokyo for some time, was not in their pocket.

ASEAN delegates made it perfectly clear that they agreed to the new round only "in principle"; they were not opposed to the negotiations as such.

In earlier consultations, Japanese officials believe they had convinced ASEAN that an early GATT round was essential if a host of thorny issues involving world trade was to be resolved to the satisfaction of both industrial and developing nations.

There remained legitimate problems bedeviling the Third World, admitted the Japanese, adding they could be settled only through global negotiations.

ASEAN did accept the Japanese explanation but what it wouldn't forgo was the idea that while it was ready to go to the new round, ASEAN would insist on getting prior satisfaction on their conditions.

The ASEAN statement at the recent Stockholm GATT minister's conference was not its unconditional acceptance of the proposed round. The Japanese misread the statement, however, took it for a feather in their cap, a victory for Tokyo diplomacy. It was presented here in such a way that it looked as though the six ASEAN member states had made a total break with the Third World's Group 77.

As the Tokyo meeting got under way, the Japanese sought to reconfirm what it had taken for ASEAN backing for the GATT round. They were all wrong and release of the statement was held up.

In the end, both sides agreed that new negotiations were in order but with an ASEAN proviso that all past commitments under the "Tokyo Round" and the GATT Work Programme for developing Countries must be "expeditiously" implemented prior to starting preparations for the new round.

Nothing short of that would be accepted, said the Southeast Asians, who also called for a "new international economic order" that would do away with "unequal economic structures."

Malaysian Minister of Trade and Industry Tengku Razaleigh Hamzah declared that people were still "trying to tinker with an outmoded system when in fact what is needed is a real structural change. That's why we continue to fail in seeking (finding) solutions to our global woes."

His complaint was that leading industrial states have failed in their duty while pursuing self-interests. "All those parochial and protectionist trends have exacerbated the deterioration...."

Yet he had no doubt that the developing region would have to make new sacrifices. "We have no alternative since the global slowdown and uncertainties are likely to continue for a long period because of the industrial countries' complacency."

To this presentation of international realities as observed by developing nations, there was no relevant Japanese response. The all-healing new round, supposedly good for all ills, was all that was heard from the Japanese side.

CSO: 4200/1178

THAILAND

PAPER ON ASEAN FOREIGN MINISTERS MEETING

BK080232 Bangkok BANGKOK POST in English 8 Jul 85 p 4

[Editorial: "Spotlight Once Again on ASEAN"]

[Text] Vietnam is sometimes its own worst enemy. Without even knowing the full content of the modified "proximity talks" proposal by ASEAN aimed at paving the way for a peaceful resolution of the Kampuchean conflict, Hanoi has already made it starkly clear that it is just not interested. A few weeks ago, Vietnamese Foreign Minister Nguyen Co Thach was explaining to Western diplomats that his country had not been officially informed of the possible talks and was therefore under no obligation to comment. But as the foreign ministers of the six ASEAN countries were about to finalise the last and definite version of the "proximity talks" proposal, the Vietnamese media were blasting the concept, denouncing it as a mere "cosmetic manoeuvre," the sole purpose of which was to allow more military assistance to the coalition forces.

The idea of talks by proxy between the Coalition Government of Democratic Kampuchea and Vietnam (bringing along under its umbrella the Heng Samrin regime) is a positive one. It reflects basic ASEAN positions while accommodating the view of the resistance. It should be emphasized that all three Khmer groups had objections to the first version of the "proximity talks" which considered the coalition on one side and the Heng Samrin regime on the other. Contrary to what Hanoi seems to believe, it is not "hegemonist" China or "reactionary" Thailand which imposed the new version on the resistance and on the other ASEAN countries. It is the resistance, including the nationalists, who took into account simple reality that suggested having Vietnam as the main "dialogue" country rather than a People's Republic of Kampuchea kept alive by Hanoi's troops.

In Kuala Lumpur ASEAN will be in a better position than ever to prove to its guests its sincerity in searching for an honourable end to the Kampuchean tragedy. And once again Vietnam will appear rigid, inflexible, uninterested in any type of negotiation that may do more than simply recognise and accept its military domination of Kampuchea.

While the situation in Kampuchea will certainly be one of the main topics at the Kuala Lumpur meeting, it won't be the only one. ASEAN is much more than a simple collection of "anti-Vietnamese" nations. In fact, contrary to the

utterances of Hanoi's propaganda machine, ASEAN is not even anti-Vietnamese, although it does reject the use of military force to interfere in the internal affairs of a sovereign nation.

Japan, Europe and the United States will face complaints about protectionism and will be asked for a better commercial deal. The ever present problem of drug abuse and traffic will be seriously considered. Not just because the United States is worried about the amount of illicit drugs coming from the Golden Triangle to its shores (the amount is, incidentally, in decline) but above all because it is a danger that more and more threatens the fabric of some of the ASEAN nations such as Malaysia and Indonesia. A better form of cooperation and coordination is required in this area between the ASEAN countries.

Another topic of discussion will be the future of the ASEAN-Pacific Cooperation [APC] initiative launched a year ago in Indonesia. To everybody's surprise the project was challenged a few weeks ago by the Malaysian Prime Minister. The idea behind the APC is to train ASEAN personnel in highly specialised fields. Kuala Lumpur feels it could lead to ASEAN being dominated by some of its dialogue partners. Most others believe the regional grouping to be strong enough to resist any "hijacking" by any one, friend or foe. It is true that the six countries that make up ASEAN have come a long way towards mutual understanding and trust. However, frequent meetings such as the one beginning today are still very necessary to iron out minor differences of opinion and frustrate those third parties who would like nothing better than to see major rifts developing which could imperil ASEAN's credibility and effectiveness.

CSO: 4200/1183

THAILAND

KHUKRIT SAYS NO INTEREST IN CABINET CHANGE

BK060338 Bangkok THE NATION in English 6 Jul 85 p 2

[Text] M. R. Khukrit Pramot, leader of the Social Action Party [SAP], said yesterday that he was no longer interested in a Cabinet reshuffle.

The SAP leader had earlier said that a Cabinet reshuffle would be necessary to reduce political tension and to improve on the image of the government. He made the statement prior to the no-confidence debate in the House last month.

But yesterday, M. R. Khukrit said: "This is an old story. Since there hasn't been a Cabinet reshuffle. [sentence as published] I am not interested in the issue anymore."

The pressure for a Cabinet reshuffle within SAP has apparently fizzled out now that the government has survived the no-confidence debate and Budget Bill has passed in the first reading, according to political observers.

Asked about accusations hurled by Chat Thai leader Maj Gen Praman Adireksan that SAP had gone back on its stand over the allocation of seats in the Budget Scrutiny Committee, M. R. Khukrit said: "Nobody double-crossed anybody and the calculation for the allocation of the seats on the committee should be based on the actual number of MPs under Chat Thai Party."

The SAP leader said although Chat Thai claims to have 108 MPs, 16 of them have declared their allegiance to the banner of the Siam Democratic Party. "Therefore, Chat Thai's quota of seats on the committee couldn't be based on 108 MPs anymore," he said.

M. R. Khukrit said that Col Phon Eengpraditwit had declared that he was no longer with Chat Thai Party which could control the faction anyway.

He said even House Speaker Uthai Phinchaichon admitted that the Siam Democratic faction should be entitled to seats on the committee. "So, how can Chat Thai put the blame on SP?" M. R. Khukrit asked.

THAILAND

OFFICIAL URGES COMPROMISE ON ELECTORAL SYSTEM

BK230339 Bangkok BANGKOK POST in English 23 Jun 85 pp 1, 3

[Excerpt] Deputy Prime Minister Phichai Rattakun yesterday called on Senators and MP's to compromise over the electoral system amendment and suggested that the solution might be a multi-constituency, small team candidate voting system.

Speaking to reporters at the Hyatt Central Plaza Hotel, Mr Phichai, who is also leader of the Democrat Party, said that the one-man, one-vote system of one MP to each constituency, preferred by many Senators, was not suitable under the present circumstances.

"It's like if I wanted to marry Miss Universe," said the deputy premier. "If I can't do that then I would have to settle for Miss Thailand or even Miss Visukasat for the moment."

Mr Phichai said that he preferred the Social Action Party's [SAP] draft proposal for a multi-constituency, individual candidate system. Many MP's in the House also prefer variations of this system.

"In principle the Democrat Party supports the SAP proposal, but since the other side wants the one-man, one-vote system we should find a compromise," he said. "The middle path could be the multi-constituency, small team candidate voting system. We have to go after what is possible."

He said that whether a compromise can be reached depended on the Social Action Party.

Mr Phichai dismissed reports that Prime Minister Prem Tinsulanon was behind the Senate move for a one-man, one-vote system.

Asked why Southern Democrat MP's grilled Interior Minister Sitthi Chirarot last Thursday, Mr Phichai appealed for understanding, saying that the MP's felt uneasy because the law and order situation in the South had deteriorated and they wanted the problem solved. He denied that the grilling indicated a conflict within the coalition government or within his own party (Deputy Interior Minister Wira Bualaphan is a Democrat Party member). "The criticisms were aired out of good will. There is no conflict either with the Southern MP's or party MP's from other regions," Mr Phichai said.

THAILAND

ROW BETWEEN MINISTER, DEMOCRAT MP'S SETTLED

BK260248 Bangkok BANGKOK POST in English 26 Jun 85 p 3

[Text] The row between Interior Minister Sitthi Chirarot and a group of Democrat MP's has been settled peacefully, Deputy Interior Minister Wira Musikaphong said yesterday.

He said he had spoken to the four Democrats--Suthap Thuaksuban (Surat Thani), Akon Cheng-Uan (Krabi), Charun Serithawan (Phuket) and Dr Phiraphong Phalusuk (Yasothon)--and had persuaded them to end the dispute.

He said the row started because the MP's were dissatisfied with a remark made by Gen Sitthi alleging that they were plotting to oust him.

In a message to Mr Wira, Gen Sitthi, however, denied that he made such an allegation and claimed that it was a misunderstanding.

Mr Wira added that the Interior Minister was pleased to accept the views voiced by MP's during a debate in the House of Representatives last week and had already instructed officials to solve the problems raised by the lawmakers.

Meanwhile an informed source said Gen Sitthi yesterday complained to Deputy Prime Minister Phichai Rattakun, who leads the Democrat Party, about the censure debate against him in Parliament last week.

That debate was initiated by Democrat MP's under an agreement that only Democrats could speak. Unfortunately it turned out that opposition MP's joined the fray against the Interior Minister.

THAILAND

THAI PAPER SAYS SITTHI TO DISCUSS TRADE 'SLUMP'

BK300144 Bangkok BANGKOK POST in English 30 Jun 85 p 3

[By Banyat Tatsaniyawet in Beijing]

[Text] Foreign Minister Sitthi Savetsila is expected to express concern over "stagnant" Sino-Thai trade relations when he meets his Chinese counterpart here today, informed sources in the Thai delegation said.

The sources said ACM [Air Chief Marshal] Sitthi is likely to point out to Chinese Foreign Minister Xu Xueqian the slump in trade between Thailand and China which has been the order of the day since 1981.

The slump is particularly worrisome to Thailand considering the high growth rate during the first six years after the country normalised diplomatic relations with China in 1975. During that period, trade flow between the two countries doubled in some years with the minimum increase as high as 70 per cent annually.

Trade between the two countries increased from U.S. \$136 million in 1976 to \$419 million last year.

The sources said the Thai side will also express concern over Thailand's trade deficit with China since the normalization, with the only exception being in 1982 when Thailand had a surplus of 6,000 million baht. However, the trade surplus had swung back in China's favour in 1983 and 1984, which amounted to some 3,600 million baht and 3,100 million baht respectively.

The deficit is mainly due to Thailand's purchase of crude oil from China which amounts to about 3,000 million baht a year. Thailand's main exports to China consist of agricultural products such as rice, maize, the sugar, rubber and beans.

During the past five years, China has increased its administrative bureaucracy, thus affecting its imports from Thailand considerably.

Sources said China has failed to accept its agricultural products in the foreign currency for its cash goods from more advanced countries.

A source described as bleak the outlook for Thai agricultural exports to China, adding that China appeared set to increase its trade ties with Indonesia and Taiwan.

The source also said Chinese Prime Minister Zhao Ziyang had told ACM Sitthi during his previous visit to China that his country might not be able to import Thai agricultural products as much as it used to.

China used to import as much as 150,000 tons of Thai maize, but last year it became Thailand's competitor in traditional markets for Thai maize such as South Korea.

The Thai delegation is also expected to propose increased cooperation in joint investment projects with China. Thai investors have asked the Government to remove restrictions on transfer of capital out of the country.

The Council of Economic Ministers recently adopted a resolution to increase exports of manufactured goods to China to make up for the stagnant trade growth.

CSO: 4200/1183

THAILAND

SITTHI ON ASEAN TARIFF PLANS, VIETNAMESE

BK280626 Bangkok BANGKOK POST in English 28 Jun 85 p 3

[Text] Foreign Minister ACM Sitthi Sawetsila yesterday called on ASEAN and Pacific nations to do away with tariff and nontariff barriers to allow a free flow of trade and sustain the region's high growth rates.

Speaking on regional cooperation at the inauguration of the Sixth Conference of Association of Development Research and Training Institutes of Asia and the Pacific, ACM Sitthi said: "Liberalisation of trade is undeniably an important pre-condition for greater cooperation.

"Unjustified tariff and non-tariff barriers to trade must be removed, for the free and fair flow of commerce is a vital underpinning of regional economic cooperation."

He went on to call for a total withdrawal of Vietnamese troops from Kampuchea to bring back peace and stability to the region, which would result in wider regional cooperation.

Later in the session, however, former Malaysian Foreign Minister Dr Ghazali Shafie said the "real challenge" to the newly-born ASEAN-Pacific cooperation is how to end successfully the "acrimonious differences" between the United States and Japan in the matter of free trade.

Dr Shafie said the quarrel between the two economic giants represented the greatest danger to the world economy, and to ASEAN growth in particular.

Small and weak nations, he said, were watching "in anguish and despair" the two economic superpowers at loggerheads, with both claiming the correctness of their respective action and stance in accordance with the rules of the free market system.

But he told the meeting that the ASEAN-Pacific unit could provide the best platform for a search for solutions to end the quarrel.

Dr Shafie said that ASEAN-Pacific cooperation was the result of a first meeting in July last year between ASEAN and its five dialogue partners from the Pacific Rim - U.S.A., Japan, Australia, New Zealand and Canada.

The main immediate activities of the ASEAN-Pacific group would be "extremely modest."

Dr Shafie said it would concentrate on exchanges of information, trade and economic development.

He added that since ASEAN and her five dialogue partners were so strongly wedded to the free market system, it seemed that "only those countries in the Pacific rim who subscribe to the same ideals would find it easy to join the club."

The former foreign minister also said China was not inclining towards the free market system.

China, he said, was simply realistic enough to acknowledge that Marxism, being outdated in many aspects, could not solve some of the modern problems.

The country was updating Marxism and to provide it with a new idiom to make it workable in China, he said.

CSO: 4200/1183

THAILAND

GOVERNOR DENIES KARENS USING THAI TERRITORY

BK070315 Bangkok BANGKOK POST in English 7 Jul 85 p 3

[Text] Tak--Provincial authorities have sent village volunteers to help soldiers patrol the border here to prevent foreign forces from using Thai territory as a springboard for attacking others in Burma.

Governor Kat Rakmani said that the move came after Rangoon handed the Thai ambassador to Burma an aide memoire saying that Karen rebels were using Thai territory to launch artillery attacks on the Burmese border town of Myawadi.

Mr Kat yesterday denied that Thailand had any knowledge of such incidents.

Volunteers in 21 villages along the border have been given arms to help soldiers patrol the border, he said.

Karen rebels on Friday attacked Myawadi with mortar fire for three hours. No reports of damage were available yesterday.

CSO: 4200/1183

1 August 1985

THAILAND

ONLY 51 PERCENT OF BUDGET SPENT SO FAR THIS YEAR

BK020423 Bangkok BANGKOK POST in English 2 Jul 85 p 1

[Text] Some ministries are being too frugal with government money and an MP warned yesterday that unless they go on a spending spree in the next four months they can kiss some of their pet projects goodbye.

House Budget Committee spokesman Suthat Ngoenmun said the government had spent only 51 percent, or 110,407 million baht, of the 1985 budget from October last year to May this year and committee members feared that this could affect the numerous projects approved for individual ministries because unspent money would have to be returned to the Finance Ministry.

The Democrat MP said that time was running out because there were only four months to go before the end of this fiscal year.

He was speaking after a two-hour meeting yesterday morning during which Budget Bureau Director Bodi Charmanan and Comptroller General Director-General Natch Phanomlanon provided facts and figures.

Mr Suthat said the three ministries which have spent the largest amount of their budget are as follows: the Foreign Ministry (78 percent), the Prime Minister's Office (78 percent), and the Communications Ministry (71 percent). He said that the ministry which had spent the least was the Science Ministry.

Asked about next year's budget which will be debated in the House tomorrow, Mr Suthat said the committee had already requested documents from the Budget Bureau and the Comptroller General's office so the committee members could study them before the debate.

He said the budget of eight ministries are of particular interest to the committee. These are: Defence, Agriculture, Communications, Interior, Education, Public Health, Industry and Science Ministries.

The Budget Committee was set up at the start of this year's house session to follow up and examine each ministry's use of its allotted government budget.

LHM: 4200/1181

THAILAND

FORMER SEPARATIST GROUP MEMBER SURRENDERS

BNK20512 Bangkok BANGKOK POST in English 2 Jul 85 p 2

[Text] Yala--One of the most wanted members of the Pattani United Liberation Organisation (PULO) surrendered to police yesterday, it was reported.

Police said Hami Yamae, 29, was wanted on several charges involving the killing of three policemen, kidnapping, robbery and extortion.

Former Yala MP Wairot Phiphitphakdi took Hami to see Provincial Police Zone 12 Commander Pol Maj Chuang Chusaeng after he agreed to surrender to police.

Hami reportedly told police that he joined PULO in 1979. During his 18 months in the jungle he fought police units and was once assigned to guard the PULO commander.

He later decided to leave the organisation and started work in Malaysia in 1981.

Hami reportedly said he returned to Thailand because he missed his seven children.

CSU: 4200/1183

THAILAND

COMMUNIST NOTES ASIAN CONCERN OVER PHILIPPINES

Bangkok SIAM RAY in Thai 16 Apr 85 p 2

[Article by Chaiwat Yontien]

[Text] Only one bullet was fired at the Manila airport 2 years ago, but it has continued to create a lot of economic, social and political upheaval for the Philippines until this day.

While the Philippines is busy trying to solve both the problem of not having enough money to spend and the problem of investigating and finding out clearly the source of that bullet, and who indeed murdered Mr Benigno Aquino, the former opposition leader, the masses have rubbed it in by organizing demonstrations against a multitude of problems. But the greatest number of demonstrations have been staged to demand that Mr Marcos resign. This is because the only recourse that these people can see is that if there were a change of leadership, numerous things in the Philippines would improve, because Aesop once told a story that even frogs can choose their own master.

But Mr Marcos has insisted that there is no reason for him to resign even when his term of office expires, which is in 5 years.

"In 5 years," as Mr Marcos said, is the same term used by the opposing side, who also insist that in the same period of time—or sooner, in 3 years—they will be able to control the forces that can easily match the Philippine army.

The opposing side that said this is becoming one of the growing problems in the Philippines. These are the forces that comprise the New People's Army, which is a communist movement in the country.

All the upheaval that has occurred in the Philippines has involved communist operations that have spread quickly and widely. The news reports that there have been skirmishes between the government forces and the communists have increased of late and have become widely known. Both sides have suffered a lot of casualties. This has created a sense of urgency not only within the Manila government but also in the American government and the governments of some ASEAN members that are closely tied to the Philippines.

The United States is concerned that the two important bases by which the United States maintains its dominance in the Pacific, Clark Air Base and Subic Bay Naval Base, which are leased from the Philippines, would be destabilized by the communist forces, which seem superior to those of the government.

Two ASEAN countries are concerned that communism will spread from the Philippines to their own countries, which are strongly opposed to communism.

These two are Indonesia and Singapore.

The relationship between the United States and the Philippines must be a separate matter. This is because at least these two nations have been closely tied to each other from the past, as a colonial empire and as a colony.

But ASEAN's concern with the spread of communism in the Philippines seems to be the matter which President Marcos is more worried about than any other matter, in fact, so much so that he sent two letters, one to the leader of Indonesia and the other to the leader of Singapore. He did this after he had heard an expression of such concern when Prime Minister Lee Kuan Yew of Singapore went to discuss national affairs with President Suharto in Jakarta last week.

Mr. Marcos told the two ASEAN leaders that his government had been governing the Philippines for 20 years. He said he himself was still in control and command of the armed forces as well as of the social and economic affairs of the country. Since this is the case, the two leaders should be assured that whatever happened his government will defeat the New People's Army of the communists in the Philippines, just as the Manila government successfully suppressed the Huk rebellion some 20 years ago.

Marcos admitted that there are many villages in the Philippines where the communists have successfully liberated. Still, he stressed that the so-called "liberated areas" consist of only 4 percent of the 41,600 villages that exist in the Philippines.

Marcos said that the leaders of Indonesia and Singapore might have "misunderstood" because they listened to and read only news reports from the press, which were "exaggerated."

And so the nations soon learned and newspapers were hit by Mr. Marcos' attack without realizing it--and so that's how it was.

But Mr. Marcos did not say if the communists' resistance that they could build up an army strong enough to match the government's army during the 20 years will prove to be true.

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THAILAND

NAVY OFFICIAL ON PROCUREMENT, TRAINING, ASSEA OPERATIONS

Bangkok CHAT ATHIPATAI in Thai 21-27 Apr 85 pp 34-35

[Interview with Rear Admiral Sakchai Kaewchinda, secretary to the navy]

[Text:] [Question] What are some of the modernizations that are taking place in the navy today?

[Answer] Regarding the modernization of the navy today and in the future, I would like to tell you that the world has advanced a great deal, both scientifically and technologically. Weapons systems especially have become very sophisticated. As the navy has the policy of improving and modernizing itself, both in the area of personnel and in the area of material as well as in the area of strategy. We cannot modernize only one aspect of the navy.

This is because Admiral Niphan Sirittong, commander in chief of the navy, has the policy of improving and strengthening our navy and has formulated a long-term modernization program making such a course of modernization continuous. However, we rely principally on the principle of self-help.

With regard to personnel, we have made improvements in our forces to suit the new generation of ships which we have ordered as well as in the military equipment which we have ordered. This is because naval warfare today has changed dramatically from the past. In the past, we used a gun with a range of 5-10 nautical miles. But today, we use missiles, with a range as great as 40 km. Consequently, whoever is going to win the war depends on how prepared he is, and depends on how alert he is. Therefore, the preparation of personnel is a highly important matter. And we also set up training stages. When the naval officer graduates from the Naval Academy, he must go through the primary training school for naval officers. After that he goes out to work for a while and then comes back for more training at the Naval Staff College. One or 2 years after he graduates from the General Staff College, he returns to the College for Naval Warfare.

In fact, the modernization of personnel has been going on continuously. At this time personnel are familiar officially with a ship and are becoming familiar with the changing electronic and technological.

[Question] What about the navy's potential?

[Answer] Regarding the potential of the Thai Navy, I would like to tell you that we are not inferior to the other nations in this region, but do not ask me to name those nations. We are always prepared. And we are the only nation that has had independence for a long time, the only nation that has had a navy for 78 years, longer than any nation in this region.

And we were successful in our battle at Kor Chang Island, which made the navy very proud, because it was like taking our small force into battle against a giant force. But a small red ant (small force) can bite an elephant (a giant force). We fought the French, a major power. And if we did not have a navy, our coastal province would have been annexed. In the naval battle at Kor Chang Island, we succeeded in preventing the French from landing. In the Rattanakosin Year 112, the French had traveled up to the Chao Praya River. But after that King Rama the Fifth immediately laid the foundation for the navy so that the navy would become strong. It was the beginning of a modern navy.

[Question] What weapons do we have that are considered modern?

[Answer] Whatever is modern--we use them all. We are always making improvements. We are using more modern weapons, for instance. All weapons are being modernized. And we keep up with advancements in weaponry. The ship may be old, but we buy new weapons to arm them. For example, we had the Exocet even before the Falklands War.

[Question] There is a report that the marine regiment will be expanded to a marine division.

[Answer] No, it will not be expanded to a division. Indeed, the existing force is equal to that of a division. The commandant of the marines is a vice admiral. And it probably will not be changed into a division. This is because our true function is not to protect an area but because we have forces there already, and the government has assigned us to protect the Chanthaburi-Trat border area, which is a coastal border. Otherwise, the forces would be idle.

As for changing names--in my view, I do not think it is necessary because when you mention the marine regiment, it is already well known. In the navy we try to preserve these kinds of things. When we say the marine regiment, anyone knows. And we have two regiments.

[Question] How will Soviet expansion into this region affect us?

[Answer] Soviet expansion into this region has affected us to some degree. But I believe that the members of ASEAN have joined together to do something. Consequently, the expansion affects ASEAN as a whole; it is therefore a matter to be considered by the top level.

THAILAND

F-16 AIRCRAFT PURCHASE STILL SUBJECT OF CONTROVERSY

Payment Impact Noted

Bangkok THE NATION REVIEW in English 27 Jun 85 p 19

[Excerpt] The Bangkok of Thailand has set a target to maintain the country's current account deficit within the ceiling of US \$1,500 million annually for the next three years despite the forecast of additional foreign exchange outflow resulting from the purchase of 12 F-16 jetfighters. Director of the Department of Economic Research Dr Wichit Suphinit, told reporters yesterday that the government will have to shift the burden of expenditure and debt from the purchase of F-16 jetfighters through reduction of other budgetary and borrowing sectors while the private sector's external expenditure will also have to be reduced to keep the current account deficit target within proper limits. He said the impact from the first payment for the jetfighters from the country's foreign exchange reserve will be about US \$80 million.

Finance Ministry Views Issue

BK250146 Bangkok THE NATION REVIEW in English 25 Jun 85 p 2

[Text] The Finance Ministry, responsible for managing the country's external debt, is conducting a study on the impact of Royal Thai Air Force (RTAF)'s purchase of 12 F-16 jetfighters on the foreign exchange reserve position of the country for the next five years.

RTAF last week signed an agreement with the U.S. to purchase 12 F-17 jetfighters at a cost of US \$317.981 million. The payment for the advanced General Dynamic jetfighters will be spread over a span of five years. The payment will be in U.S. dollars.

Finance Minister Sommai Huntrakun is reported to harbour serious concerns over the purchase involving an outflow of foreign exchange reserve of the country estimated at about BS \$74 million annually.

RTAF's F-16 purchase programme does not involve any cut in the annual arms purchasing budget, but cuts are made in the payroll budget by slowing down the numbers of new recruits and welfare expenditure such as medical treatments. Thus the country foreign exchange reserve will have to bear full burden.

The Finance Ministry is reported to be duly concerned with the impacts on the country's balance of payment and the target of monetary and fiscal policies. "This may mean that these policies may have to become tighter but we are still working out the statistical impacts," a source indicated.

Thailand's foreign exchange reserve at the end of the first quarter of this year amounted to US \$2,477.7 million, US \$2,586.7 million April and US \$2,602.2 [million] in May.

Public and private sectors' outstanding debt at the end of the first quarter totalled US\$12,829 million compared to about US \$12,000 million at the end of 1984. The debt-service ratio has since risen from about 20 percent to 21 percent.

The latest figures show the country's long term debt of US \$10,942 million and short term debt of US \$1,887 million. Public sector's debt totalled US \$7,841 million of which US \$5,029 million are guaranteed by the government to state enterprises.

The RTAF's F-16 purchase also involves maintenance and service expenditure of 330 million baht yearly during the first three years, and 78 million baht in the fourth year.

An informed source quoted Sommai as expressing his opposition to the purchase of the F-16 jetfighters during the meeting of the Cabinet last Tuesday.

Sommai reportedly told the Cabinet that while the country is trying hard to export [words indistinct] to earn foreign exchange, it now has to shoulder more debts by buying the aircraft.

Athit Calls for End to Criticism

BK060343 Bangkok BANGKOK POST in English 6 Jul 85 p 18

[Text] Supreme Commander Gen Athit Kamlang-ek called yesterday for an end to criticism on the military decision to purchase the F-16 A-100 jet fighters.

His call came as the House Committee on Military Affairs released a statement to support the Air Force's purchase of the aircraft.

Gen Athit, during a lecture to a group of employees of a company at the Thai Samut Building on Silom Road, said that the controversy over the F-16 deal should end.

"Those who have no authority should stop making comments," he said.

He said that the decision to choose the jets was made by the military who knew best about the country's defence needs. The government had made its decision to follow military advice.

It was the government which had the authority to decide whether or not to act on the military's suggestion. "It's not the duty of others to comment on the matter."

The Supreme Commander insisted that the country needed the F-16's to defend itself.

In its statement released yesterday, the House Committee for Military Affairs, meanwhile, appealed for public understanding amid protests and criticism from student unions and academics.

The statement said that although the purchase, which will cost around 8,900 million baht, will have some effect on the country's international currency reserves, the cabinet had carefully studied the issue before approving the deal.

Besides, the Air Force will use money from its own development fund to pay for the 12 F-16's. As a result, the statement said, the Air Force should be praised for sacrificing other development programmes to buy the planes.

Quoting the National Defence Act, the committee said the Air Force is required under the law to improve its capability to increase air defence. It said that as the F-5-E interceptors currently commissioned will be out of date within the next couple of years, the Air Force needs a new generation of jetfighters.

The purchase will also enable the Air Force to train its personnel to handle technologically-advanced aircraft. This meant that in the event of war, the trained personnel would be able to fly and maintain planes given by the United States.

Opposition MPs Voice Criticism

BK040400 Bangkok THE NATION in English 4 Jul 85 p 2

[Text] The defence spending, particularly that on the 12 F-16 jetfighters, and the budget for internal security, were heavily criticized during the House debate.

Thirawit Khunsap (Chat Thai-Chaiyaphum) said though the proportion of the budget in several areas with the exception of the debt service, had decreased in recent years, the defence spending has been relatively stable.

But even under this condition, the government still cannot achieve the objective of increasing the level of self-reliance in arms.

Khlaeo Norapati (Social Democrat-Khon Kaen) questioned the haste of the Royal Thai Air Force in signing the contract for the purchase of 12 F-16 jetfighters. He said the signing took place while General Dynamics Corp is considering lowering the price of the aircraft.

He said although the payment for the planes was not a part of the fiscal budget of the Defence Ministry, it has to be inevitably diverted from the armed forces development fund. He said it would only result in the delay in the modernization of other areas of defence.

Khàao, who has been a staunch opponent to the purchase of the F-16 from the very beginning, said under the present economic and fiscal conditions, the government should avoid leading the nation into an arms race with Vietnam.

Wichian Wetsawan (Chat Thai-Udon Thani), meanwhile, noted that when the payment of the F-16 fighters was not included in the budget, it might be covered outside the budgeting process that cannot be scrutinized by the House.

Opposition MPs also questioned the competence of the Prem Administration in maintaining law and order. They cited the rampant crime and the lack of security in the south as a reflection of the government's failure in law enforcement.

Anan Chaisaeng (Progressive-Chacheong Sao) observed that while the government always claims success of the anti-communist Policy No 66/2523 in enhancing the internal security, the expenditure to maintain law and order has never been significantly decreased.

He said the spending for internal security next fiscal year will be only 134 million baht less than that of the current year. He noted that the budget was cleverly allocated to several ministries to avoid scrutiny by the House.

Chat Thai leader Maj Gen Praman Adireksan said the government's ability to maintain law and order depends greatly on economic prosperity, the capability of the government to provide the people with security and most importantly the faith of the people in the government.

Praman said the people have obviously lost their faith in the government as far as its ability to bring them economic prosperity and security.

SSO: 4200/1178

5 August 1985

THAILAND

BRIEFS

HIGH DEBT SERVICE RATIO--Thailand's debt service ratio, which has increased significantly during the past six years, is expected to remain at the same level during the next three years--after which the ratio will decrease, according to Director Wichit Suphinit of the Bank of Thailand's Economic Research Department. The debt service ratio this year has reached 20 percent, which is considered high when compared with 10.8 percent recorded in 1977. The debt service ratio is the ratio between the country's external debt burden, which has to be paid in each particular year, and the foreign exchange earnings in that same year. The country's total external debt at the end of this year's first quarter was US \$12,800 million, of which the government accounted for \$7,800 million and the rest was incurred by the private sector. Mr Wichit said the debt burden had been rising at a fast rate over the past six years because the country had suffered higher trade deficits as a result of higher oil prices, and the slow adjustment of the domestic economy to the world economy. [Excerpt] [Bangkok BANGKOK POST in English 27 Jun 85 p 13 BK]

TRADE WITH GULF STATES--Trade between Thailand and several Middle East countries has increased substantially, with Thailand's total exports to the Mideast last year rising 11.8 percent from the 1983 level, according to a report from the Business Economic Department. But Thailand still suffered a total trade deficit of 16,628.9 million baht, with exports to Mideast countries totalling 13,107.7 million baht and imports 23,736.5 million baht. The report said Saudi Arabia was the major trading partner with which Thailand suffered a deficit of 16,208.9 million baht. Thailand also suffered trade deficits with Oman and Qatar, amounting to 1,238.6 million baht and 167.9 million baht. The report said further that Thailand gained a trade surplus with some countries, like Iran (2,936.5 million baht), United Arab Emirates (1,417.7 million baht), Syria (829.8 million baht), Jordan (585 million baht) and Kuwait (763.3 million baht). [Excerpt] [Bangkok BANGKOK POST in English 26 Jun 85 p 17 BK]

TRADE DEFICIT FORECAST--A depressed world commodity market could see Thailand's trade deficit at least 5,000 million baht higher than the latest 65,000 million baht estimate, according to a knowledgeable source. He noted that prices of major commodities have declined sharply in the international market. He said the country's unfavourable commodity export situation was explained by Commerce Minister Koson Krairoek during a meeting of the Board

of Exchange Equalisation Fund last Thursday, chaired by Finance Minister Sommai Huntrakun. Exports were considered a major source of foreign exchange for Thailand and if exports dropped, earnings would be affected. Mr Koson told the meeting that exports of agricultural products--namely, rice, tapioca and maize--were facing a lower price level and declining demand in the international markets. Thailand last year suffered a trade deficit of 80,000 million baht and it could total 70,000 million baht this year if nothing was done during the second half to promote agricultural and industrial exports. [Excerpts] [Bangkok BANGKOK POST in English 26 Jun 85 p 15 BK]

RICE EXPORT TO DECLINE--In sharp contrast to last year's bumper exports, Thai rice export in the second half of this year is expected to decline due to strong competition in overseas markets. This view was expressed by Mr Kittti Damnoenchanwanit, managing director of Soon Hua Seng Co, one of the country's largest rice exporting firms, at a seminar on "Agriculture Business Management." He said statistics showed that a total of 2,089,145 tons of rice was shipped out during January-May, the highest five-month period in the country's nearly century-long history of rice export. However, exports began to decline this month, he said. Mr Kittti said he was concerned that the United States, Pakistan and Burma would most likely release more rice on to the world market during the remainder of this year--particularly the U.S. and Pakistan, whose rice exports in 1984 were less than originally targetted. Mr Kittti said the U.S. was still actively subsidising its rice production. [Excerpts] [Bangkok BANGKOK POST in English 26 Jun 85 p 15 BK]

BURKINA FASO DIPLOMATIC TIES--The Thai Foreign Ministry on 19 June issued a statement announcing the establishment of diplomatic ties between Thailand and Burkina Faso. The statements say that the government of the Kingdom of Thailand and the Government of Burkina Faso has agreed to establish normal diplomatic relations as from 20 June 1985 and to exchange diplomatic representatives at ambassadorial level in order to promote the friendly relations between the two countries. [Summary] [Bangkok Voice of Free Asia in English 1500 GMT 20 Jun 85 BK]

NATURAL GAS FIELDS OPENED--Prime Minister Prem Tinsulanon yesterday officially declared open two new natural gas fields in the Gulf of Thailand operated by Union Oil of Thailand, expressing the optimism that Thailand's dependence on imported petroleum energy will continue to decline substantially. With concerted efforts to produce local sources of energy, Thailand's discovery and use of natural gas saved the country up to 24,300 million baht in foreign exchange last year. Gen Prem said the development of natural gas had spurred the country's economy, especially for the Eastern Seaboard Programme. [Excerpts] [Bangkok THE NATION REVIEW in English 22 Jun 85 p 2 BK]

IMF LOANS--The IMF has approved a loan worth 585 million special drawing rights (SDR's) for Thailand to help correct the country's balance of payments deficit and reduce its external debt burden. About 185 SDR's will be available immediately and the rest by 31 March 1987 if Thailand meets the agreed conditions. The IMF loan will support further government measures, such as a restrictive fiscal policy, a tighter monetary policy, and other structural adjustments, to correct the country's balance of payments deficit. [Summary] [Bangkok Domestic Service in English 0000 GMT 20 Jun 85 BK]

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK ON 40TH ANNIVERSARY OF UN CHARTER

BK300808 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
28 Jun 85

[Station commentary: "It Is Necessary To Unite and Oppose Vietnamese-Soviet Aggression and Expansion To Defend the Principles of the UN Charter, Peace, and World Order"]

[Text] A ceremony was held in San Francisco on 24 June to commemorate the 40th anniversary of the signing of the UN Charter, which is the highest law to defend peace and world order. The UN Charter was signed by 51 countries in San Francisco, California, the United States, on 26 June 1945 when World War II ended and the peoples throughout the world were very eager to have peace. In the past 40 years, more than 100 countries that successively gained independence signed the UN Charter and were admitted as members of the United Nations. The number of UN member countries has increased steadily. At present, 159 countries are members of the United Nations. In the past 40 years, the United Nations, which is the world's top organization, succeeded in resolving various international problems, defending world peace, world order, and defending the interests and peace of all small and medium-sized countries in the world by standing on this sacred charter.

The UN Charter is very good. If all UN member countries respected and implemented the UN Charter, there would be no problem in the world, order in the world, and all countries throughout the world whether large or small, strong or weak, could live independently and peacefully.

There is no peace and order in the world. Wars of aggression have occurred successively in many places in the world. All of this has been caused by a number of UN member countries, especially the Vietnamese and Soviet aggressors and expansionists as well as their accomplices who do not respect and implement the principles of the UN Charter. Furthermore, they have trampled upon this sacred principle at will. They have sent forces to attack small and weak neighboring countries in gross violation of the fourth clause of the second article of the UN Charter which clearly states that in international relations, UN member countries must not threaten or use force in violation of the sovereignty and territorial integrity as well as the political independence of various countries, nor use other means contrary to the goals of the United Nations. All these aggressive activities of the Vietnamese, the Soviets, and

their accomplices have created trouble and insecurity in the world--such as Vietnam's aggression in Cambodia and that of the Soviet Union in Afghanistan.

The Vietnamese enemy aggressors sent hundreds of thousands of soldiers to attack and annex Cambodia at the end of 1978. The Hanoi Vietnamese enemy aggressors have intensified the massacre of the Cambodian people in the most savage and barbarous manner. They have completely ignored international law and the UN Charter. The current war of aggression staged by the Vietnamese in Cambodia is not only a normal war of aggression in that the Vietnamese have attempted to take Cambodia as their vassal and their colony as the former colonialists once did in the past, but it is a genocidal war waged by the Vietnamese enemy aggressors in an attempt to exterminate the Cambodian race so they will be able to swallow Cambodian territory and include it into Vietnam.

Thus, in the past nearly 7 years, the Vietnamese enemy aggressors have massacred the Cambodian people without mercy. They have killed the elderly, the young, males, and females, as well as small children and babies. The Vietnamese enemy aggressors have used all means to massacre the Cambodian people. They have killed Cambodians with their guns and tanks. They have arrested, jailed, and tortured Cambodians. They have cut the throats and opened the abdomens of Cambodians. They have used toxic chemicals to kill the Cambodian people against international law. They have plundered and destroyed the belongings, paddy, and rice of the Cambodian people. They have destroyed the economic structure and agricultural networks of our nation and people in order to create a serious famine to kill our people. Due to the genocidal policy of the Hanoi Vietnamese enemy aggressors, in the past nearly 7 years, over 2.5 million Cambodians died and still more die with each passing day. Therefore, the present war of aggression and genocidal war of the Vietnamese enemy aggressors in Cambodia is more savage and barbarous than the wars staged by the colonialists in the past. This clearly shows that the Hanoi Vietnamese enemy aggressors do not respect international law and the UN Charter. They have waged aggression against everyone.

History has shown that in the past, the Vietnamese used to launch aggression and swallow other countries. At present, they have maintained their aggressive nature to swallow other territories. In fact, the entire Champa was swallowed by the Vietnamese in the 17th century and included into Vietnam's territory and is now called Central Vietnam. In the 19th Century, the Vietnamese swallowed a part of Cambodia that was almost the size of present-day Cambodia. The Vietnamese swallowed the territory and the people of this part of Cambodia, now called South Vietnam. This is a real and painful event that the Cambodian people have always remembered.

Although we are living in the 20th century when the peoples throughout the world are seeking independence, freedom, and justice, the Hanoi Vietnamese dare to use savage and barbarous means to attack Cambodia and exterminate the Cambodian race. They want to swallow present-day Cambodia as did Kampuchea Kraom. This is an act against world history and the civilization of mankind. The Vietnamese aggression is completely against the principles of the UN Charter.

On the occasion of the 40th anniversary of the UN Charter, we would like to appeal to all countries in the world that cherish independence, peace, justice, and the principles of law to pay great attention to the war of aggression and genocidal war presently staged by the Vietnamese in Cambodia. In the 20th century, if the Vietnamese were allowed to exterminate the Cambodian race and swallow Cambodia as they used to do in centuries past, this would set a bad precedent for other aggressors and expansionists. Thus, this is a danger for many small, medium-size, and weak countries throughout the world.

Therefore, it is necessary for all peace- and justice-loving countries throughout the world to join hands and oppose the Hanoi Vietnamese aggression and that of the Soviet aggressors by pressuring the Vietnamese and the Soviets to withdraw all their aggressor forces from Cambodia and Afghanistan in order to defend peace and order in the world as well as the principles of the UN Charter so that they will remain sacred principles that the expansionists and aggressors cannot trample upon as they wish.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

COLUMNIST VIEWS COALITION'S MILITARY COOPERATION

BK281153 Bangkok BANGKOK POST in English 28 Jun 85 p 4

[Jacques Bekaert report in the "Kampuchean Diary" column: "Armies of KPRLF and ANS to Combine Forces"]

[Text] So here comes another committee: the "Ad Hoc Committee to Establish a Joint Military Command," a new nationalist set up that will try to bring a touch of real cooperation and coordination between the armed forces of the Khmer People's National Liberation Front and the National Sihanoukist Army [ANS].

A recent press release said very clearly that "the meeting decided to uphold all principles containing (sic) in the Declaration on the Formation of the Coalition Government of Democratic Kampuchea" (signed in Kuala Lumpur in June 1982). In other words, there will be no merge. The Kuala Lumpur declaration indeed makes very clear that the coalition is a joint venture between three parties, not two. The Party of Democratic Kampuchea, in its new-found passion for legality, has always strongly objected to any move that would change the basic composition of the coalition.

But it matters little at this point, most observers agree. Time is not yet ripe for the merge of the two nationalist groups. (One wonders if such time will ever come anyway.) From a military point of view it is of marginal importance. What does matter, though, is whether real coordination and cooperation can be extended further than the conference room.

Facing the Vietnamese are three armies. Each operating in its own way, with little or no consideration for the partners. Cases of cooperation do exist, at the field level, and out of necessity. They certainly do not constitute a coordinated effort. The establishment of the Permanent Military Committee (PERMICO) is a first step in the direction of a better understanding between the two nationalist factions. Ambitious battle plans have been drawn but have remained pretty much that: battle plans.

There is no doubt that the task of the Vietnamese army has been greatly facilitated by the lack of unity, cooperation and coordination among the coalition forces. To be fair, it is not easy to successfully mix water, fire and air. The National Army of Democratic Kampuchea [NADK]--the Khmer Rouge--keep fighting (rather well) under their own flag. The sight of it must be enough to keep

most Kampucheans from wishing its victory. The nationalist use of the old Cambodian flag--certainly a more refreshing symbol for most people--but at the same time they have wasted tons of energy accusing each other of all possible sins. Fortunately for them soldiers in the field are more realistic and more reasonable than the intellectuals or ex-politicians running the show from Paris or the West Coast.

To expect love between the three factions is an illusion. There is still too much secrecy surrounding the party of Democratic Kampuchea to fully reassure its allies. One does not get rid of a terrible past simply by proclaiming that everything has changed. Chinese officials once in a while would say that the Khmer Rouge could not have been so bad since they are now doing very well inside Kampuchea and would not be able to do so if the people do not like them. But their statements are not going to convince anyone who has survived the Pol Pot regime. Yes, the NADK finds support in the villages and the Kampuchean countryside. But how much is spontaneous support and how much is simply due to the fact you don't argue with the guy who has the gun in his hand can be debated. That many (if not most) civilians living under Khmer Rouge control are not great enthusiasts of the party of DK has been amply demonstrated. That the rank and file of the NADK is fighting more for country than for ideology (an ideology that does not exist anymore, we are told) is probable.

As for the nationalists, some of their leaders are still fighting...each other, fighting private and political wars from the Fifties and Sixties. Hanoi must watch with amusement the tenacity deployed by a few of them to shoot at the wrong target.

Only the future will tell us if the new ad hoc committee will be able to rise beyond the surface, if joint operations will be planned and executed. Prince Vanarit, General Dien Del, Dr Gaffar or General Toan Chay certainly understand the urgency and necessity of joint command and operation. But will the new "supervisor" (whoever he may be) of the entire nationalist force be able to impose discipline and order within its troops? It will be no small task because in many ways we are not even watching two nationalist armies but a collection of factions regrouped under the same umbrella. Will military leaders learn how to gain the respect of their men? Now that the nationalists have no more reasons to complain about the lack of equipment, weapons, food or ammunitions, will they concentrate on being efficient? They should start reading the military works of Giap and Mao. The basic principles are good.

According to newspaper reports of a recent press conference, the spokesmen of the ad hoc committee claimed that 6,000 KPNLF and 5,000 ANS soldiers were back inside Kampuchea. Of course, in a political war figures are psychological weapons too. So I guess it is OK to play with figures--as long as you do not fool yourself trying to fool the other side.

CSO: 4200/1185

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SITTHI'S GREETINGS TO KHIEU SAMPHAN

BK040606 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 3 Jul 85

[22 May message from Thai Foreign Minister Sitthi Sawetsila to Khieu Samphan,
DK vice president in charge of foreign affairs, on occasion of 3d anniversary
of the founding of the CGDK]

[Text] Excellency:

In the name of the Royal Government of the Kingdom of Thailand, I have the
honor of greeting you on the occasion of the 3d anniversary of the founding
of the CGDK with you as vice president.

The CGDK's successive victories have vital importance for the future of
Cambodia and the tough struggle of the Cambodian people for national liber-
ation. The development of the CGDK inside the country and on the international
scene has brought hope for the resotation of peace, freedom, and national
independence to your beloved country. I would like to take this good oppor-
tunity to reiterate once again the steady support of the Royal Government of
the Kingdom of Thailand for the CGDK. In this spirit, I shall continue to
contact and discuss with Your Excellency in your efforts to seek a political
solution for the problem caused by the Vietnamese occupation of your country
which has affected peace, stability, and development in Southeast Asia.

In the name of the Royal Government of the Kingdom of Thailand and the Thai
people, I would like to wish that Your Excellency, the CGDK, and the Cambodian
people score all victories in their patriotic duties.

Would Your Excellency accept my highest salutations.

[Dated] 22 May 1985

[Signed] Air Chief Marshal Sitthi Sawetsila, foreign minister of the Royal
Government of the Kingdom of Thailand

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK HOSTS RECEPTION FOR THAI DELEGATION

BK010229 Bangkok THE NATION in English 1 Jul 85 p 5

[Text] Beijing—Democratic Kampuchean President Prince Norodom Sihanouk yesterday threw a party to welcome Thai delegations led by Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila.

The function started with a formal dinner and was followed by a dance also attended by diplomats from 85 countries and their wives.

"Instead of talking politics, we'll drink and sing tonight," Prince Sihanouk told his guests in a welcoming speech before leading his guests to a traditional ramwong dance.

The prince danced with ACM Sitthi's wife, Khunying Thida, while the Thai Foreign Minister danced with Prince Sihanouk's wife, Princess Monique.

The princess later sang two Thai songs—Bua Khao (White Lotus) and Rak Khun Khao Rao (I've Fallen in Love With You)—while Prince Sihanouk sang a La Vie en Rose, Blue Moon and My Blue Heaven.

CSO: 4200/1185

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

KHIEU SAMPHAN MESSAGE TO THAI MINISTER

BK070350 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 6 Jul 85

[1 July message from DK Vice President Khieu Samphan to Thai Foreign Minister
Sitthi Sawetsila in a CGDK anniversary message]

[Text] Respected excellency, in the name of the Cambodian people and the
CGDK I have the honor and am elated to express my profound thanks to you for
your message to me on the occasion of the 3d founding anniversary of the CGDK.
Your high evaluation and firm confidence in our current struggle for national
liberation and for the survival of our nation against Vietnam's aggression and
occupation of Cambodia is a strong encouragement to our people and combatants
in their just struggle. Your evaluation and confidence in our struggle has
pushed the CGDK to make every effort to unite the nation and gather inter-
national forces to seek a correct and permanent political solution to the
Cambodian problem which has been caused by Vietnam's aggression and occupation
of Cambodia.

I would like to take this fine opportunity to once again express the profound
gratitude of the Cambodian people and the CGDK to your excellency and, through
you, to the Government of the Kingdom of Thailand and the Thai people for pro-
viding noble assistance and support for the current struggle for an inde-
pendent, peaceful, neutral, and nonaligned Cambodia. In particular, the
Cambodian people and the CGDK can never forget the sublime stand of the Gov-
ernment of the Kingdom of Thailand toward unfortunate Cambodian refugees who
have been forced to flee the massacre by the Vietnamese to seek safety in Thai-
land. I would also like to present my respects and congratulations to you
personally for your full moral and physical support for the correct cause of
the Cambodian people which has been shown especially by your concern, under-
standing, and cooperation in relations with the CGDK. I am confident that the
traditional friendship and fraternal cooperation between our two countries and
peoples will develop and strengthen further.

Your excellency, and please accept once again my highest considerations.

[Dated] Democratic Kampuchea, 1 July 1985

[Signed] Khieu Samphan, vice president of Democratic Kampuchea in charge of
foreign affairs

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

THAI PAPER REPORTS ON KPNLF ACTIVITIES

BK300302 Bangkok BANGKOK POST in English 30 Jun 85 p 2

[Text] Fighters of the Khmer People's National Liberation Armed Forces (KPNLAF) have killed about 130 Vietnamese troops and wounded about 90 others in clashes in Oddar Meanchey and Battambang Provinces between March and June this year.

Informed intelligence sources told the BANGKOK POST yesterday KPNLAF casualties during the four-month period in the two provinces were 15 dead, 20 wounded and five missing in action.

The sources claim between 1,000 to 1,200 KPNLAF troops were sent into Kampuchea during this period not only to conduct military operations but also to spread the cause of the Coalition Government of Democratic Kampuchea (CGDK).

In Oddar Meanchey Province, the sources claim that KPNLAF troops are operating in about six districts including Samroang and Ampil Districts.

In Battambang Province the non-communists have struck at Vietnamese positions in about four districts including Poipet and Sisophon Districts, the sources added.

KPNLAF troops clashed with Vietnamese about 30 times, the sources claim, adding that four Vietnamese soldiers were captured during the clashes.

The sources said the clashes included about 12 attacks by the KPNLAF on Vietnamese bases in the two provinces.

Two bridges in Sisophon District were also destroyed in the operations, the sources claimed.

The sources added that the freedom fighters have been able to operate about 20 kilometres inside Kampuchea.

The KPNLAF fighters have penetrated as far as the Bateay Chhma and Ban Prasat Veng areas in Battambang Province, the sources added.

CSO: 4200/1185

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK CARRIES KHIEU SAMPHAN MESSAGE TO MALAYSIA

BK300712 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 29 Jun 85

[24 June message from DK Vice President Khieu Samphan to Malaysian Foreign
Minister Tengku Ahmad Rithauddeen for greetings on CGDK anniversary]

[Text] To His Excellency Tengku Ahmad Rithauddeen, foreign minister of
Malaysia, Kuala Lumpur:

Your Excellency, please accept my wholehearted thanks for your warm congratulatory message on the 3d anniversary of the setting up of the CGDK.

In the present circumstances in which our struggle for national liberation and survival is vigorously and movingly progressing, your message has brought our people and combatants powerful encouragement and has pushed the CGDK to strive to achieve the sacred task and to rally all national forces to oppose the armed occupation of the country by foreigners for an independent, peaceful, neutral, and nonaligned Cambodian in Southeast Asia.

I would like to take this fine opportunity to once again express profound gratitude to you personally and, through you, to the government and people of Malaysia and other friendly ASEAN countries for providing full moral and physical support for the just cause of the Cambodian people and the CGDK. I am convinced that the relations of friendship and traditional cooperation between our two countries and people will further develop.

Please accept my highest consideration.

[Dated] Democratic Kampuchea, 24 June 1985

[Signed] Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK REPORTS BATTLE CASUALTY FIGURES FOR JUNE

BK030609 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 2 Jul 85

[June Battle Results from Battlefields Throughout the Country]

[Text] 1. Koh Kong-Kompong Som battlefield: 124 Vietnamese soldiers
killed and 160 wounded. Total: 284 casualties.

2. Leach battlefield: 40 killed and 54 wounded. Total: 94 casualties.

3. Samlot battlefield: 141 killed and 116 wounded. Total: 257 casualties.

4. Pailin battlefield: 147 killed and 321 wounded. Total: 468 casualties.

5. South Sisophon battlefield: 306 killed and 225 wounded. Total: 531
casualties.

6. North Sisophon battlefield: 53 killed and 66 wounded. Total: 119 cas-
ualties.

7. Siem Reap-Route 6 battlefield: 114 killed and 96 wounded. Total: 210
casualties.

8. Preah Vihear battlefield: 37 killed and 33 wounded. Total: 70 casualties.

9. MOUNG-PURSAT battlefield: 88 killed and 118 wounded. Total: 206 casu-
alties.

10. Kompong Thom-Kompong Cham battlefield: 115 killed and 123 wounded.
Total: 238 casualties.

11. Western battlefield: 139 killed and 150 wounded. Total: 289 casualties.

12. Southwestern battlefield: 68 killed and 76 wounded. Total: 144 casu-
alties.

13. Northeast-Eastern battlefield: 30 killed and 29 wounded. Total: 59
casualties.

14. Phnom Penh battlefield: six killed and seven wounded. Total: 13 casualties.

In sum, in June, we killed 1,409 Vietnamese soldiers and wounded 1,573 [figures as heard] others, for a total of 2,982 casualties.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK REPORTS ATTACKS IN KAMPOT, BATTAMBANG

BK300512 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 29 Jun 85

[Battle report from various battlefields]

[Excerpt] On the night of 24 June, we launched a 3-pronged attack against Kompong Trach Railway Station in Kompong Trach District [Kampot Province]. The first prong attacked the railway station; the second attacked the rice-mill north of Kompong Trach market; and the third intercepted Vietnamese reinforcement forces from Kompong Trach. In a 15-minute battle, we completely destroyed this station. We killed three and wounded four Vietnamese enemy soldiers; destroyed three wagons, a ricemill, a large quantity of rice and paddy, and some war materiel; and seized some ammunition and materiel.

South Sisophon battlefield: On 25 June, we attacked a Vietnamese commune office at Chrey Sdau, killing two and wounding three Vietnamese soldiers and destroying a Vietnamese expert's house and some war materiel. We liberated four villages: Chrey Sdau, Nikom Krau, Nikom Khnong, and Kandal.

CSO: 4212.87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

CGDK THANKS COUNTRIES FOR UN SEAT SUPPORT

BK010653 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
29 Jun 85

[Station commentary: "Peace- and Justice-Loving Countries Energetically Support the Legitimate Seat of Democratic Kampuchea at the United Nations"]

[Text] This year, the Le Duan Vietnamese enemy authorities have frenziedly intensified their propaganda activities to distort the situation in Cambodia in an attempt to mislead international opinion, rob Democratic Kampuchea of its legitimate seat in the United Nations, and forcibly introduce the Vietnamese lackeys in Phnom Penh into this supreme world body. However, while the Vietnamese were trumpeting their deceptive propaganda, peace- and justice-loving countries voiced their continued resolute support for the Democratic Kampuchean seat in the United Nations and in all other international organizations and stated that they would strive to make every effort to preserve Democratic Kampuchea's legitimate seat in the United Nations.

In fact, in early May the Government of Sierre Leone decided that, as of 21 May, that republic would fully recognize the CGDK, headed by Samdech Norodom Sihanouk, president of Democratic Kampuchea. Also in May the Republic of Seychelles decided to join the sponsorship for the resolution on Cambodia to be submitted to the forthcoming UN General Assembly. Togo is also considering the appointment of its ambassador to Democratic Kampuchea.

On 22 May, in a joint statement at the end of the CGDK Prime Minister Son Sann's visit to Egypt, the Egyptian Government reiterated that the CGDK is the sole legitimate government of Cambodia, entitled to occupy the Cambodian seat in the United Nations and in all other international organizations.

Japanese Foreign Minister Shintaro Abe stated in front of the foreign affairs commission of Japan's upper house in Tokyo on 28 May that Japan continues to support the seat of Democratic Kampuchea headed by Samdech Norodom Sihanouk at the United Nations and that this Japanese stand is unchanging. On 5 June, in a talk with Democratic Kampuchea's Prime Minister Son Sann, Japanese Prime Minister Nakasone stated that Japan would make every effort to preserve Democratic Kampuchea's membership in the United Nations and Japan supports all UN resolutions that support the Cambodian people's struggle against Hanoi's aggression against and occupation of Cambodia.

On 6 June in a meeting with former U.S. President Carter in Bangkok, Thai Prime Minister Prem Tinsulanon reaffirmed that the Thai Government would continue supporting the CGDK. On 9 June the Thai newspaper THE NATION REVIEW reported that the ASEAN countries are launching a new campaign to preserve Democratic Kampuchea's seat in the United Nations by sending their special envoys to visit Latin American, east African, west African, and the Pacific nations.

All of this once again shows that countries cherishing peace, justice, the principles of international law and practice, and the UN Charter are not taken in by the tricks of the Hanoi authorities' deceptive propaganda campaign. They also do not allow Vietnam to rob Democratic Kampuchea of its legitimate seat in the United Nations, as it wants to do. This is because the war in Cambodia is not a war between Cambodians as claimed by Vietnam. It is certainly a war of aggression, expansion, and genocide waged in a most savage and brutal manner in arrogant and glaring violation of the principles of international law and practice and the UN Charter. Therefore, should they allow Vietnam to plunder the legitimate seat of Democratic Kampuchea, they would be guilty of legitimizing Vietnam's acts of aggression in Cambodia. Once Vietnam succeeds in this ploy, Cambodia would not be the only victim. In the days to come, more countries would fall victim like Cambodia. Therefore, this is a most serious threat to security, stability, and order in the world.

For this reason, the stand of all countries in firmly supporting Democratic Kampuchea's seat in the United Nations constitutes a solid principled stand that accords fully with the principles of international law and practice and the UN Charter and is an act made in defense of peace, stability, and order throughout the world.

The Cambodian people and the CGDK express their deep thanks to all the above-mentioned countries for their correct and just stand and gestures. With the firm support of the international community, the Cambodian people and the CGDK pledge to strengthen the great national union under the banner of the struggle against the genocidal Vietnamese enemy aggressors until they are forced to fully respect the principles of international law and practice and the UN Charter by completely and unconditionally withdrawing their aggressive troops from Cambodia and to respect the Cambodian people's right to self-determination without any outside interference in accordance with the UN resolutions.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK MESSAGE OF THANKS TO THAILAND'S SITTHI

BK020332 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
1 Jul 85

[25 June Message of Thanks from Democratic Kampuchean President Norodom
Sihanouk to Thai Foreign Minister Sitthi Sawetsila]

[Text] To Excellency Air Chief Marshal Sitthi Sawetsila, foreign minister
of Thailand, Bangkok, the Kingdom of Thailand.

On behalf of the Cambodian people and the CGDK and in my own name, I would
like to express wholehearted thanks to Your Excellency and the Government of
the Kingdom of Thailand for the greetings you sent to me on the 3d founding
anniversary of the CGDK.

Although it is true that the victories of our national liberation struggle,
both at home and abroad, were scored through the sacrifice made by my people
and armed forces, they were also attributable to the efforts, firm support,
and vigorous aid given us by friendly countries, particularly the famous
Kingdom of Thailand.

I would like to express my devout respect and most profound thanks to the
King of Thailand and sincere thanks to the Thai Government, Your Excellency
who is the great builder of the Thai-Cambodian friendship, and the valiant
Thai people for your invaluable contributions to the defense of Cambodia's
and the Cambodian people's inalienable, sacred rights.

With highest regards,

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

[Dated] Beijing, 25 June 1985

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

MALAYSIAN MINISTER'S GREETINGS TO SIHANOUK

BK261054 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
25 Jun 85

[Malaysian Foreign Minister Ahmad Rithauddeen's greetings message to Samdech Norodom Sihanouk, president of Democratic Kampuchea on the occasion of the CGDK's 3d founding anniversary--date not given]

[Text] To Samdech Norodom Sihanouk, president of Democratic Kampuchea

On the occasion of the 3d founding anniversary of the CGDK, I am very elated to have the honor to express to you my salutations and warmest greetings. In the past 3 years, the CGDK has developed further under your renowned and wise leadership. The CGDK has successfully carried out its work and has been victorious over the enemy facing the Cambodian people in the struggle for their rights, freedom, honor, national independence, and the sovereignty of their beloved country. I am confident that, with your continued leadership, the CGDK will score many more victories in future years, advancing toward achieving its noble cause in the end.

Would you accept my highest considerations?

CSO: 4212/87

5 August 1985

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

MALAYSIA'S RITHAUDDEN GREETINGS ON CGDK DAY

BK250622 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 24 Jun 85

[Greetings message from Malaysian Foreign Minister Tengku Ahmad Rithauddeen
to DK Vice President for Foreign Affairs Khieu Samphan--date not given]

[Text] To Your Excellency Khieu Samphan, vice president of the CGDK Your
Excellency:

I would like to extend my wholehearted greetings and best wishes to you on
the occasion of the 3d founding anniversary of the CGDK.

The CGDK has clearly displayed its capability in, and its resolution to
further, the struggle for the liberation of Cambodia from foreign occupation.

I am convinced that through the resolution, sacrifice, and unity of the
coalition government, the noble goal to restore independence, freedom, and
neutrality in Cambodia will finally be realized.

Please accept my highest regards.

[Signed] Tengku Ahmad Rithauddeen, foreign minister of Malaysia

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK'S REPLY TO KHIEU SAMPHAN 22 JUNE MESSAGE

BK260428 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 25 Jun 85

[22 June reply message from Democratic Kampuchean President Samdech Norodom
Sihanouk to DK Vice President Khieu Samphan]

[Text] To Excellency Khieu Samphan, vice president of Democratic Kampuchea:

I and my family sincerely and wholeheartedly thank you and the outstanding
leaders and the national army and guerrillas of Democratic Kampuchea for the
message sent to me on the occasion of the 3d founding anniversary of the CGDK
on 22 July 1985.

On this occasion, I would like to express warm admiration for the many signi-
ficant victories scored by Your Excellency and the leaders and members of the
Democratic Kampuchean National Army and guerrilla units in your valiant strug-
gle against the Vietnamese enemy aggressors and for national liberation.

Please accept my best wishes. May you score greater and more significant
victories in our common struggle against the Vietnamese enemy until our be-
loved fatherland is liberated.

Please also accept the confirmation of our full solidarity and highest regards.

[Signed] Norodom Sihanouk, president of Democratic Kampuchea

[Dated] Pyongyang, 22 June 1985

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK EDITORIAL MARKS CGDK'S 3D ANNIVERSARY

BK231152 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
22 Jun 85

[Station Editorial: "The CGDK and Our Entire Cambodian Nation and People Are Determined To Seek National Union in Their Struggle To Drive Out All the Vietnamese Aggressors and Race Exterminators"]

[Text] Our tripartite CGDK is now 3 years old. When it was founded on 22 June 1982, the Vietnamese enemy aggressors and their accomplices were very angry, predicting that our CGDK would not last for many days. Reality has shown otherwise, however.

In the past 3 years, the three factions of our CGDK with Samdech Norodom Sihanouk as its president have united and cooperated with each other in all fields--military, political, and diplomatic. The fact that the CGDK has united so well is a great victory and enormous encouragement to our cadres, female, and male combatants and our people throughout the country. It has pushed ahead our people's struggle against the Vietnamese enemy aggressors. It is also a joy and encouragement to our friends throughout the world. At the same time, the fact that our CGDK has united so well has infuriated the Vietnamese enemy aggressors, isolating and frustrating them.

Our entire Cambodian nation and people as well as friends throughout the world are more confident in the CGDK with Samdech Norodom Sihanouk as its president because they realize that it is the symbol of the great national union of the entire Cambodian people inside and outside the country. They are confident and realize that the CGDK will continue to unite in its struggle against the Vietnamese enemy aggressors until they are all driven out of Cambodia. Therefore, they have more sympathy and continue to assist and support our CGDK as the only legitimate government of Cambodia.

By examining the concrete results of the unity inside our CGDK, we can see that the situation has developed well in all fields--military, political, and diplomatic.

In the military field, the Vietnamese enemy aggressors deployed enormous forces during the last dry season, including many tanks and artillery, to launch an unsuccessful offensive in western Cambodia in an attempt to destroy

our CGDK's resistance forces. However, the Vietnamese forces are bogged down in western Cambodia and are being attacked by our Cambodian resistance forces every day. Furthermore, our Cambodian resistance forces have launched operations deep inside the country, even in Phnom Penh. The Vietnamese enemy aggressors have encountered many more difficulties that they cannot resolve. Thus, 4 months after the Vietnamese enemy's foolish offensive in Western Cambodian, their so-called dry season victory is fading away.

In the political and diplomatic, various countries throughout the world have assisted and supported us more vigorously in our correct and just struggle against the Vietnamese enemy aggressors. This is due to the good solidarity of our CGDK. The number of countries which have supported us at the United Nations has increased every year--up to 110 countries in 1984. Therefore, the Vietnamese enemy aggressors are more isolated. Moreover, after this big offensive in the 7th dry season, friendly countries throughout the world have continued their assistance and support to the Cambodian people's just struggle against the Vietnamese enemy aggressors under the leadership of our CGDK, supporting the legitimate rights of our Democratic Kampuchea at the United Nations.

Given the good results and development of our great national union inside the CGDK and our entire nation and people, we clearly realize the necessity to continue to enhance this great national union in pursuit of our struggle against the Vietnamese enemy aggressors and race exterminators until they are all withdrawn from Cambodia. The communique of the fifth CGDK cabinet meeting held on 3 February 1985 under the chairmanship of Samdech Norodom Sihanouk, president of Democratic Kampuchea, and with the participation of His Excellency Prime Minister Son Sann and His Excellency Vice President Khieu Samphan clearly stated that the CGDK is determined to strengthen its unity in order to pursue the struggle against the Vietnamese enemy aggressors until they withdraw all their troops from Cambodia in accordance with UN resolutions on the Cambodian problem. All Cambodian patriots consider this great national union sacred. We are determined to do everything to strengthen the great national union and not to do anything which affects or destroys it. At present, we have enhanced the great national union of our struggle against the Vietnamese enemy aggressors. In future, we will strengthen the great national union among Cambodians inside and outside the country for the defense of our nation and the survival of our race. The great national union is the most important thing for our small country which the Hanoi Vietnamese have always sought to swallow. In fact, at present we cannot fight the Vietnamese enemy aggressors and race exterminators unless we enhance our great national union. In the future, we must unite in this great national union for the defense and construction of our country. If we cannot defend our country then we cannot build it.

Therefore, on the occasion of the CGDK's 3d founding anniversary, the entire Cambodian nation and people, the National Army and guerrillas of Democratic Kampuchea, and all Cambodian resistance forces are determined to raise higher the banner of the great national union under the leadership of our CGDK and to continue to struggle more vigorously against the Vietnamese enemy aggressors and race exterminators in all fields until they are all driven out of Cambodia.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK REPORTS ATTACKS ON CHHLONG 21 JUNE

BK270242 (Clandestine) Voice of the National Army of Democratic Kampuchea in
Cambodian 2315 GMT 26 Jun 85

[Battle reports from various battlefields]

[Excerpt] Kratie battlefield: In Chhlong District, on 21 June, we launched a 3-pronged attack against a Vietnamese commune office at Pongro and a company position at Prongro monastery along the Mekong River.

The first prong attacked the Vietnamese position at Pongro monastery; the second attacked the Vietnamese command post; and the third attacked the commune office. After a 5-minute battle, we completely destroyed the Pongro commune office and this Vietnamese company position. We killed 8 and wounded 11 Vietnamese enemy soldiers. Among the dead was a company commander. The remaining soldiers fled along the Mekong River. We destroyed 30 barracks, the command post of a company position, a commune office, a B-40 rocket launcher, a carbine, a machinegun, some ammunition, 4 sacks of rice, and some war materiel. We seized 11 weapons, including 6 AK's, 2 AR-15's 2 B-40's, a B-41, a radio set, a map, 2,300 rounds of AK ammunition, 7 B-40 rockets, 11 B-41 rockets, 25 60-mm mortar shells, 1,000 rounds of AR-15 ammunition, and some war materiel.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK, VODK BATTLE REPORTS FOR 21-27 JUNE

BK281030 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian and (Clandestine) Voice of Democratic Kampuchea in Cambodian broadcast the following battle reports during the reporting period 21-27 June:

VONADK at 2315 GMT on 21 June reports that between 10 and 19 June, DK forces on the Rtung Treng, Koh Kong Leu, Chhep, and Siem Reap battlefields killed or wounded 46 Vietnamese soldiers; destroyed two weapons, two trucks, a fuel tank containing 5,000 liters of gasoline, and some war materiel; and seized some materiel.

VONADK at 2315 GMT on 22 June states that between 9 and 20 June, DK forces on the Battambang, Moung, Kompong Chhnang, Kompong Thom, Kompong Cham, and Sisophon-south of Route 5 battlefields killed or wounded 72 Vietnamese soldiers; destroyed 14 guns, 2 Vietnamese positions, a truck, 10 barracks, 20 trenches, 5 houses, and some war materiel.

VONADK at 2315 GMT on 23 June reports that between 15 and 19 June, DK forces on the Mondolkiri, Kompong Chhang, Kompong Speu, northwestern Phnom Penh, Pailin, and Kampot battlefields killed or wounded 87 Vietnamese soldiers; destroyed 8 guns, 4 commune office buildings, 2 rice milling machines, and some military materiel; and seized some guns, ammunition, and war materiel.

VONADK at 2315 GMT on 24 June reports that between 7 and 22 June, DK forces on the Komong Chhnang, Pailin, Koh Kong Leu, Siem Reap, Moung, and south Sisophon battlefields killed or wounded 105 Vietnamese soldiers; destroyed 10 weapons, 300 meters of railroad track, 2 commune office buildings, 8 barracks, and some war materiel; and seized 4 weapons, and some ammunition and war materiel.

VONADK at 2315 GMT on 25 June says that between 19 and 22 June, DK forces on the Kompong Thom, east Battambang, Pailin, South Sisophon, and west Battambang battlefields killed or wounded 220 Vietnamese soldiers; destroyed 75 assorted weapons, 150 meters of railroad track, 1 commune office, 31 barracks, 52 trenches, a truck, and some war materiel; seized some weapons, ammunition, and war materiel; and liberated 4 villages on the Pailin battlefield.

VONADK at 2315 GMT on 26 June states that between 13 and 22 June, DK forces on the Kratie, Kompong Chhnang, north Sisophon, Samlot, and south Sisophon battlefields killed or wounded 125 Vietnamese soldiers; destroyed 5 weapons, a commune office, 35 barracks, 5 trucks, and 40 meters of railroad track; and seized 12 weapons and some ammunition and war materiel.

According to a VONADK report at 2315 GMT on 27 June, between 15 and 23 June, DK forces on the Kompong Chhnang, Pailing, Koh Kong, Leach, Moung-Pursat, Route 4, Kampot, and south Sisophon battlefields killed or wounded 105 Vietnamese soldiers; destroyed 400 meters of railroad track, a truck, and some weapons, ammunition and war materiel; and seized some weapons, ammunition, and war materiel.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK, VODK BATTLE REPORTS FOR 28 JUNE-4 JULY

BK050813 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian and (Clandestine) Voice of Democratic Kampuchea in Cambodian broadcast the following battle reports during the reporting period 28 June-4 July:

At 2315 GMT on 28 June, VONADK reports that on Kompong Thom, Pailin, north Sisophon, and Siem Reap battlefields, between 10 and 23 June, DK forces killed 62 and wounded 51 Vietnamese soldiers; destroyed 19 weapons, a commune office, a truck, and some war materiel; seized 3 weapons and some ammunition; and liberated 2 villages on the south Battambang battlefield.

On 29 June at 2315 GMT, VONADK says that on north Sisophon, south Sisophon, and Koh Kong battlefields, between 19 and 25 June, DK forces killed 26 and wounded 35 enemy soldiers; destroyed a railway station, 3 wagons, 3 commune offices, a ricemill, a Vietnamese expert's house, and some weapons and ammunition; seized some weapons and ammunition; and liberated 4 villages on the south Sisophon battlefield.

In a report broadcast at 2315 GMT on 30 June, VONADK says that on Prailin, Kompong Chhnang, Takeo, MOUNG-PURSAT, and Kampot battlefields, between 16 and 26 June, DK forces killed or wounded 80 Vietnamese enemy soldiers; destroyed 77 meters of railroad tracks, a commune office, and motorcycle, and some war materiel; and seized some war materiel.

At 2315 GMT on 1 July, VONADK REPORTS THAT ON Kompong Chhnang, Kampot, Samlot, Siem Reap, and south Sisophon battlefields, between 14 and 28 June, DK forces killed or wounded 112 enemy soldiers; destroyed 20 weapons, 90 meters of railroad tracks, 4 commune offices, 2 ammunition depots, a warehouse, 20 Vietnamese houses, and some war materiel; seized 6 weapons and some ammunition and war materiel; and liberated 4 villages on the Kompong Chhang battlefield.

On 2 July at 2315 GMT, VONADK reports that on Pailin, Siem Reap, MOUNG, Kompong Chhnang, south Sisophon, Battambang, Kompong Speu, and Kompong Thom battlefields, between 24 and 30 June, DK forces killed or wounded 112 Vietnamese soldiers; destroyed 17 weapons, 567 meters of railroad tracks, 10 barracks, and some war materiel; and seized 7 weapons and some ammunition and war materiel.

In a report broadcast at 2315 GMT on 3 July, VONADK says that on Koh Kong-Kompong Som, north Sisophon, Siem Reap, Leach, and south Sisophon battlefields, between 27 June and 5 July, DK forces killed or wounded 108 Vietnamese soldiers; destroyed 8 guns, 2 trucks, 2 military barracks, and a quantity of military materiel; and seized 3 guns and some ammunition and materiel.

On 4 July at 2315 GMT, VONADK reports that on north Sisophon, Kampot, Siem Reap, Oddar Meanchey, south Sisophon, and Route 4 battlefield, between 23 June and 2 July, DK forces killed 24 and wounded 34 enemy soldiers; destroyed 200 meters of railroad tracks, a commune office, and some weapons and ammunition; seized 4 weapons and some ammunition and war materiel; and liberated 20 villages on the Battambang-Sangke River battlefield.

CSO: 4212/87

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

SRV ANNEXES SVAY RIENG COMMUNE--Svay Ampea commune, Prasot District, Svay Rieng Province, is rich in paddy. The land of Svay Ampea is very fertile. The commune provides thousands of metric tons of paddy every year. People in Svay Ampea Commune are well-off. However, the commune has now been occupied by the Vietnamese aggressors. The Vietnamese have brought their compatriots to settle in our Svay Ampea, and hundreds of hectares of ricefield and fruit trees have been taken over by the Vietnamese. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 28 Jun 85 BK]

SRV DESERTERS OPPOSE HANOI DRAFT--Reports from South Vietnam say that the majority of Vietnamese soldiers deserting the battlefield in Cambodia dare not stay in their home towns and villages like ordinary Vietnamese people. These soldiers hide themselves in forests to avoid being arrested by the Le Duan clique. In the (Bat Dai) hilly area, as in other areas throughout the province of Tay Ninh, these Vietnamese soldiers live in small groups with close contacts with the local people to oppose the draft of the Hanoi authorities. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 27 Jun 85 BK]

2 BATTAMBANG VILLAGES REPORTED 'LIBERATED'--South Battambang battlefield: On 22 June, we attacked the Vietnamese enemy at a position at Ta Hem Village along Route 5, killing one and wounding two. We liberated two villages: Ta Hem and Snao Kung. [Excerpt] ["Battle report from various battlefields"] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 28 Jun 85 BK]

MALAYSIA'S RITHAUDDEN GREETS CGDK ANNIVERSARY--To His Excellency Khieu Samphan, vice president of the CGDK: Your Excellency, on the CGDK's 3d founding anniversary, I would like to wholeheartedly express my congratulations and best wishes. The CGDK has clearly shown its ability and determination to continue the struggle to liberate Cambodia from occupation by foreign forces. I am convinced that through determination, sacrifice, and the CGDK's unity, the noble goal of restoring freedom, independence, and neutrality to Cambodia will ultimately be achieved. Please accept my highest considerations. [Signed] Tengku Ahmad Rithaudden. [Text] [(Clandestine) Voice of Democratic Kampuchean in Cambodian 2330 GMT 26 Jun 85 BK]

VIETNAMESE FAMILIES SETTLING IN KRATIE--The Vietnamese aggressors have sent several hundred Vietnamese families to settle in Kratie District of Kratie Province. At the end of May, they sent 17 families of Vietnamese nationals to settle in Peam Te, Ta Luh, Bos Leang, (Andong Toch), Krakor, (Fussef Chal), Thmar Kre, and Sam Bok in Pratie Province. Our people in Kratie Province and all other areas throughout the country are very angry at the Vietnamese aggressors over this land-grabbing act. They pledge to join with the Democratic Kampuchean National Army and guerrillas in the struggle against the Vietnamese aggressors. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Jun 85 BK]

SOUTHERN VIETNAMESE FLEEING MALTREATMENT--According to reports from Vietnam, the Le Duan clique has been maltreating the Vietnamese people in general and the southern Vietnamese in particular, using every means. Currently, the movement of Vietnamese people fleeing southern Vietnam is continuous. However, the fleeing southern Vietnamese are chased by the Vietnamese Navy. Sometimes these people are fired on and killed in their boats. Those who manage to escape are those who are the adventurous; they must choose the right time and be very clever. In particular, they must have cold and money for bribing Vietnamese naval officers in order to get out of Vietnam and escape the Le Duan clique's murderous grip. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Jun 85 BK]

VIETNAMESE TURN OUT HOSPITAL PATIENTS--On 7 June, the Vietnamese aggressors chased 47 Cambodian patients out of Praeh Ketmealea Hospital in Phnom Penh in order to get beds for wounded Vietnamese soldiers who had just been transported from Battambang battlefield. Most of these Cambodian patients were those inhabitants forcibly sent to clear bushes on the western battlefield. They were maimed, wounded, or suffered from malaria. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchean in Cambodian 2315 GMT 1 Jul 85 BK]

KOMPONG CHHNANG VILLAGES 'LIBERATED'--On Kompong Chhnang battlefield on 26 June, we attacked Khna commune office in Kompong Tralach District. After 15 minutes of fighting, we totally liberated this commune office. We killed two Vietnamese soldiers, wounded three others, and destroyed a commune office building. We seized three sacks of rice and liberated four villages--namely, Thma Sa, Vat, Trapeang Srangae, and Chrey Kang Khang Lech. [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Jul 85 BK]

VILLAGERS 'EXECUTED' IN SIEM REAP--On 6 June, in Varin District, Siem Reap Province, the Vietnamese enemy aggressors executed five of our people they had imprisoned. Almost all the 50 people arrested from Thlok, Traong, and Prich villages on 7 May have been secretly executed. The Vietnamese said that our people escaped from their prison and threatened and accused the victims' families of hiding the escapees. People in Varin District are well aware of these criminal Vietnamese tricks. Our people are very angry at the Vietnamese enemy aggressors. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 Jun 85 BK]

THAI OFFICIAL ON PROXIMITY TALKS--On 3 July, Thai Foreign Minister Sitthi Sawetsila told reporters in Bangkok that the tripartite CGDK has agreed to accept a revised proposal suggesting that the CGDK hold proximity talks with Vietnam. The CGDK firmly holds that the root cause of the Cambodian problem is the Vietnamese military aggression and occupation of Cambodia. Therefore, talks to resolve the issue should be held with Vietnam. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 4 Jul 85 BK]

SRV REINFORCEMENTS REPORTED IN KAMPOT--On 28 June, the Vietnamese enemy brought 70 reinforcement soldiers from South Vietnam to Dang Tung position and another 60 to Krang Leav position in Tuk Meas District, Kampot Province. These soldiers are young school children recently drafted and sent to fight in Cambodia. This news exposed the deceitful propaganda of the Vietnamese enemy aggressors about their annual partial troop withdrawal from Cambodia. It also shows people the tricky and stubborn nature of the Vietnamese occupying Cambodia who refuse to listen to the world community's demand and avoid abiding by resolutions of the past six sessions of the UN General Assembly which demand that Vietnam unconditionally withdraw all its aggressor forces from Cambodia and respect the Cambodian people's right to self-determination without outside interference. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 4 Jul 85 BK]

LIBERATION OF 20 BATTAMBANG VILLAGES--Battambang-Sangke River battlefield: On the night of 30 June, we attacked a Vietnamese commune office at Bay Damram and swept the Vietnamese along Sangke River. After a 30-minute battle, we completely liberated this commune office. We killed two and wounded two Vietnamese soldiers; destroyed a commune office, and some documents and war materiel. We liberated 20 villages: Cheay Sampot, Tuol Damrei, Banon, Tuol Banon, Anlung Kaong, Chranheng, Chamka Thmei, Chamka Boy Neang, Dong, Kanchor Re, Cha Svay, Babos, Anlung Thmei, Tulo Trap, Kandal, Bay Damram, Krala Pos, Svay Prakeap, Bat Sala, and Inchit. [Excerpt] [Battle reports from various battlefield] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 4 Jul 85 BK]

THAI OFFICIAL ON SRV STANCE--(Phut Thewakun), director general of the Political Affairs Department of the Thai Foreign Ministry, said in Bangkok on 6 July that Vietnam's rejection of Thailand's proposal for indirect talks between Vietnam and the CGDK clearly indicated that Vietnam did not want to solve the Cambodian problem by peaceful means and showed that Vietnam was inflexible. He added that this indicated that Vietnam attempted to legitimize the regime it installed in Phnom Penh and to split the ASEAN countries. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 8 Jul 85 BK]

SIHANOUK GREETINGS TO SHULTZ--[2 July message from DK President Sihanouk in Beijing to U.S. Secretary of State Shultz]--To His Excellency George Shultz, U.S. Secretary of State, Washington, D.C., United States: On the occasion of the glorious national day of the United States, on behalf of the Cambodian people and the CGDK, a member of the United Nations, I would like to ask you to convey to President Ronald Reagan of the United States my warm congratulations and sincere wishes and at the same time my wishes for your own happiness and that of the great American people. I would like to take this solemn occasion to express revered thanks to the United States which has always been beneficial to our miserable people and our fatherland. I would like to express sincere thanks to your excellency for having greatly contributed for the benefit of the Cambodian people. Please accept my warm congratulations and highest consideration. Beijing, 2 July 1985 [Signed] Norodom Sihanouk, president of Democratic Kampuchea [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Jul 85 BK]

CSO: 4212/88

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SIM ATTENDS WOMEN'S MOVEMENT MEETING

BK250355 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Jun 85

[Text] A ceremony was held at the office of the Central Committee of the Kampuchean Revolutionary Women's Association at 1400 on 22 June to close the meeting reviewing the women's movement's achievements of the 1st half of the year. Attending the ceremony in the presidium were Comrade Chae Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council; female Comrade Mean Sam-an, alternate member of the party Central Committee and chairman of the Kampuchean Revolutionary Women's Association; and female Comrade Chey Kanhnha, deputy minister of public health. Female Comrade Mean Sam-an read a report summing up the successful outcome of the women's movement, particularly in contributing to the three revolutionary movements.

Speaking on the occasion, Comrade Chae Sim praised the achievements made by women throughout the country in production and in their revolutionary tasks. At the same time, the comrade exhorted all women's associations to pay greater attention to the three revolutionary tasks, to assisting families of combatants and young workers, and to the movement to persuade misled persons to turn themselves in to our authorities in order to join in rehabilitating and building our economy.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

COMMENTARY SUPPORTS LAO PROPOSAL ON BORDER DISPUTE

BK031023 Phnom Penh Domestic Service in Cambodian 1300 GMT 2 Jul 85

[Station commentary: "We Fully Support the Goodwilled Proposal of the LPDR"]

[Text] So far, the settlement of the problem concerning the three Lao hamlets, namely Mai, Kang, and Savang hamlets of Sayaboury Province, has not yet achieved a satisfactory result. Everybody can clearly see the cause of the impasse in the solution of the above-mentioned problem.

On 6 June the Lao People's Democratic Republic issued another statement reiterating its unchanging policy regarding the improvement of good-neighborly relations with Thailand. The Lao side proposed that both parties assign representatives to take part in sincere negotiations to solve all problems of common interest. However, the Thai side has displayed total indifference to this proposal and has been avoiding the issue. It continues to apply heavy pressure on the three Lao hamlets located deep inside Laos, from 300 to 1,000 meters. It also constantly fires artillery barrages into these localities, causing extensive losses in property and lives to the Lao people. Moreover, the Thai side resoundingly announced that they would withdraw all troops from the three Lao hamlets and that there were no remaining problems regarding three hamlets. However, in reality, the Thai stubbornly continue to refuse recognition for Laos' sovereignty over the three hamlets. They continue to slander and disparage Laos whereas they themselves are the ones who are responsible for the growing tension along the Lao-Thai border. They have feigned and acted as if they sincerely want to find a way to end the current impasse between the two countries, but so far they have not agreed with nor positively responded to the proposal of the Lao side which requests that both sides sit down at the negotiating table. Without this, how can they expect to bring an end to the impasse between them?

In reality, the Thai authorities continue to maintain close collusion with the Beijing expansionists, authorizing the Chinese reactionaries to use their territory as a rallying ground for the Lao reactionaries in exile to conduct hostile activities against the government and people of the LPDR, creating splits among the three Indochinese countries in opposition to the aspiration of the Lao and Thai peoples who always want to coexist in peace and friendship.

The 6 June statement of the Lao Government once again clearly affirmed the Lao side's goodwill to resolve the impasse between the two countries. Laos' territorial integrity is evident and irrefutable. Negotiations as a solution to this impasse are a correct, appropriate, and just line that accords with the feelings of mankind.

The Cambodian people fully support the correct proposal of the fraternal Lao people. We demand that the Thai authorities put an immediate end to all hostilities against the LPDR and positively respond to the Lao side's proposal in order to settle all remaining problems between them in the interest of the peoples of the two countries and of all people in the region.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

PHNOM PENH CELEBRATES PARTY ANNIVERSARY

OW300318 Hanoi VNA in English 1607 GMT 29 Jun 85

[Text] Hanoi, 27 Jun (VNA)-- A meeting was held in Phnom Penh yesterday to mark the 34th anniversary of the People's Revolutionary Party of Kampuchea (28 June).

Present on the presidium of the meeting were Heng Samrin, general secretary of the Party Central Committee and president of the State Council; Chea Sim, Politburo member of the Party Central Committee, and chairman of the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland; Hun Sen, Politburo member and president of the Commission for External Relations, of the Party Central Committee, premier and minister for foreign affairs; Say Phu Thong, Politburo member, and president of the Commission for Organization of the Party Central Committee, and vice president of the State Council; Bou Thang and Chea Soth, Politburo members of the Party Central Committee, vice premiers and respectively ministers of national defence and planning; and other Kampuchean officials.

Present at the event were members of the diplomatic corps in Phnom Penh.

Addressing the meeting President Heng Samrin noted that the 34th anniversary of the founding of the People's Revolutionary Party of Kampuchea was being celebrated at a time when the entire party, army and people were actively participating in an emulation movement to strengthen the resounding military victories in the 1984-85 dry season and achieve with successes the plan for this year's rainy season cropping.

Recalling the history of the PRPK, President Heng Samrin praised the achievements of the PRPK obtained since its rebuilding in 1979, he said:

"At present the reactionaries in the Beijing ruling circles, firmly joining hands with the U.S. imperialists and the ultra-rightists in the Thai ruling circles, are stubborn in their hostile acts of sabotage against the People's Republic of Kampuchea, the Lao People's Democratic Republic and the Socialist Republic of Vietnam. The Kampuchean people, like the Lao and Vietnamese peoples, desire to live in peace with the Chinese people, to see the quick establishment of the Kampuchean-Thai and Lao-Thai borders of friendship and

to create a zone of peace, stability, friendship and cooperation in Southeast Asia.

"For these aims, in concert with fraternal Vietnam and Laos, we are always ready to go with the concerned parties into negotiation on the basis of the five points mentioned in the statement of the foreign ministerial conference of the three Indochinese countries held in January 1985. We welcome every tendency of goodwill and justice which is protesting the expansionistic and bellicose policy of China, the United States and Thailand, and we support the tendency for conciliation between the two groups of ASEAN and Indochinese countries. But we are always ready and resolute to use our right to self-determination to deal due blows to the aggressors with a view to preserving independence, sovereignty and territorial integrity of our (home) and also the peaceful life of our people."

President Heng Samrin expressed profound gratitude to the parties, the governments and the peoples of Vietnam, Laos, the Soviet Union, other fraternal socialist countries, to the government and people of India and to friends in the world who have granted precious assistance and support to the Kampuchean revolution.

Before the meeting, a delegation of the party and state and front headed by President Heng Samrin laid wreaths at the monument for the dead and the monument of the Vietnamese internationalist combatants.

CSO: 4200/1185

PEOPLE'S REPUBLIC OF KAMPUCHEA

TANG SAROEM HAILS SOLIDARITY WITH VIETNAM

BK221138 Phnom Penh Domestic Service in Cambodian 1300 GMT 21 Jun 85

[Interview with Tang Saroem, minister for economic and cultural cooperation with foreign countries, by station correspondent, on the occasion of the visit to the PRK by Truong Chinh-led SRV party and state delegation; date not specified--recorded]

[Text] [Question] My respects to you esteemed minister. Can you please tell us about the traditions of special militant solidarity between the Cambodian and Vietnamese peoples and the all-round cooperation between Cambodia and Vietnam in the past 6 years?

[Answer] Based on a geographical setting, the similar livelihood of our two peoples, and the fact that our two peoples have been victims of oppression by French imperialists and U.S. imperialists, our two people united firmly and fought shoulder-to-shoulder, drove out the French colonialists, and smashed the influence of the U.S. imperialists. This event has caused the prestige of the Indochinese peoples to soar high in the world. It also attests to the strength of the two peoples' militant solidarity and particularly the influence of the genuine revolution in Indochina. Later, when the Cambodian people were victims of the genocidal regime--lackey of the Beijing Chinese-- [words indistinct] the Cambodian people again rose up and fought in close cooperation with the Vietnamese friends to topple this regime. Following the liberation day of 7 January 1979, the Vietnamese people have continued to assist the Cambodian people in all fields [words indistinct] enabling us to frustrate the enemies' perfidious maneuvers and build our country successfully. This is provided by the recent resounding, great victories won by our armed forces and the Vietnamese forces in their sweeping operations against the bases of the Cambodian reactionaries along the Cambodian-Thai border. In the political field, Vietnam has provided us with experts to help advise us in various important matters. In the international arena, the Vietnamese friends have always sided with us and made all-out effort to enhance the PRK's prestige, thus enabling world public opinion to recognize the Cambodian people's correct struggle to defend their national independence.

In the economic field, the Vietnamese comrades, who have firmly adhered to the principles of proletarian internationalism, have aided us with everything from household utensils to various important installations. Moreover, our two

countries have been cooperating and assisting each other in all fields with the aim of building socialism [words indistinct]. This is a most noble mission that must be adhered to forever for the survival and stability of our two countries.

[Question] What is your opinion with regard to the militant solidarity between our two countries, Cambodia and Vietnam?

[Answer] Judging from the history of our past struggles waged by our two countries and from the fact that we adhere to Marxism and Leninism as the basis of our national defense and construction, we may assess that the bond of militant solidarity between our two countries is a life-and-death factor. If this solidarity is firmly consolidated, we will be able to overcome all obstacles and smash all the enemies and their maneuvers. On the contrary, if we are careless and fail to firmly strengthen this solidarity, the enemies will be able to spread their maneuvers among our cadres and people, thus causing danger to us. For this reason, we must always take good care of the bond of militant solidarity between our two countries. The comrade party general secretary has said that we must take good care of Vietnam-Cambodia solidarity as we do our own eyes. As I mentioned above, the militant solidarity of our two peoples is of special significance to our survival, therefore the economic and cultural cooperation between the two countries at present and in the future is of great significance. On the one hand, it ensures the mobilization of capital for restoring and building our economy. On the other hand, it ensures the independence of our economy which does not rely on the capitalist economic order. The capitalists want to use the economic issue as a tool to rule our national destiny. Briefly speaking, in the future, the economic and cultural cooperation between our two countries will remain the factor which ensures the successful construction of socialist economy for the well-being of our children and for our self-defense against all forms of subversive maneuvers of the enemies.

On the occasion that the high-level SRV party and state delegation led by Comrade Truong Chinh is visiting our country, I would like to express my wholehearted welcome to the delegation and wish the delegation success in this visit. May the militant solidarity and all-round cooperation between our two countries become firmer and grow forever.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

COUNCIL OF STATE DECREES CONFER MEDALS, TITLES

BK260919 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Jun 85

[Text] The Council of State recently issued the following decrees:

Decree No 20, posthumously conferring the "Hero of the KPRAF" title and the "National Defense" Medal, 1st Class, on the late Comrade (Tu Saphan), chief of the security force of Tuol Rokieng Village, O Ta Pong Commune, Bakan District, Pursat Province, and the late Comrade (Thap An), security cadre of Battambang Province.

Decree No 21, conferring the "Hero of the KPRAF" title and "Victory" Medal, 2d Class, on Comrade (Prom Moranak), deputy chief of the Thmar Puok District Military Command, Battambang Province; Comrade (Chae Chin), commander of the 144th company, Mongkolborei District Military Force, Battambang Province; and female Comrade (Kong Saroeun), chief of group "Kor" of the female force in Svay Rieng Province.

Decree No 19, conferring the "Victory" Medal, 2d Class on the 9th Regiment of Division [Kangpol Thom] "Khar"; and the "Victory" Medal, 3d Class on Comrade (Hong Kray), chief of group "Kar", air defense unit "Kor-2", 286th Division.

CSO: 4212/86

5 August 1985

PEOPLE'S REPUBLIC OF KAMPUCHEA

LEADERS HONOR HEROES ON KPRP ANNIVERSARY

BK280651 Phnom Penh Domestic Service in Cambodian 0430 GMT 28 Jun 85

[Text] On the occasion of the 34th founding anniversary of the KPRP currently being celebrated by the party, state, and people from all walks of life throughout the country, at 0700 on 28 June, a high-level delegation of the PRK party and state laid wreaths at the monument of fallen heroes and the monument commemorating the fallen Vietnamese army volunteers in order to pay homage to the souls of party members, cadres, combatants, and people who sacrificed their lives for the cause of the Cambodian revolution.

Present in the delegation were, among others, Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State; Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council; Comrade Say Phuthang, member of the party Central Committee Political Bureau, chairman of the Central Organization Commission, and vice chairman of the Council of State; Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs; Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense; Comrade Chae Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of planning; Comrade Chan Phin, member of the party Central Committee Secretariat and minister of internal and external trade, Comrade Khang Sarin, member of the party Central Committee Secretariat and minister of the interior; female Comrade Men Sam-an, member of the party Central Committee and chairman of the Central Propaganda and Education Commission; and comrade members and alternate members of the party Central Committee and leaders from various state and mass organizations.

The ceremony proceeded in an atmosphere permeated with sentiments of gratitude toward the cadres, combatants, Cambodian people, and Vietnamese army volunteers who sacrificed their flesh and blood for the correct and just revolutionary cause.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

KPRAF SUCCESSES, THAI PROVOCATIONS

BK051333 Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Jul 85 BK

[From the "Weekly Roundup of Salient Events" feature]

[Excerpt] The Thai authorities, conspiring with the Beijing expansionist reactionaries and the U.S. imperialists, have ceaselessly escalated provocative activities along the Cambodian-Thai border, causing tension and complexity in the region. Among their activities in June, the Thai authorities sent L-19's, A-37's, F-111's [as heard], and helicopters repeatedly to reconnoiter a number of areas in our airspace, such as in the area of the border junction of the three countries, the Phnum Kambot mountain, hill 547, O Bok, Poipet, Phnum Malai, Soda, Pailin, and the area north of Koh Kong, intruding from 5 to 20 km deep in our airspace.

On the ground, the Thai authorities fired hundreds of 120-mm and 82-mm mortar and DK-82 shells into our territory in a most savage manner in an attempt to provide cover for the Pol Pot and Sereika remnants who were beaten during the past dry season, who have since taken refuge in the areas on Thai threshold, and who now operate in small groups that sneak across the border to launch hit-and-run attacks against our revolutionary armed forces' positions while other groups have been infiltrating the interior of the country to commit crimes, loot property, burn houses of the people, and sabotage communication lines. However, all their insane activities have rarely escaped interception and counterattack by our armed forces and people working in cooperation with the Vietnamese army volunteers.

In total, during the past month the Cambodian armed forces and Vietnamese army volunteers launched 157 sweeping operations, putting out of action as many as 807 enemy soldiers of all stripes--103 more than the previous month. Of these, we killed 222 on the spot and captured 101, and we also persuaded 470 misled persons to return to the fold. Along the border, we seized 391 assorted guns, 74 mines, 288 B-40 and B-41 rockets, 2 walkie-talkies, and a large quantity of other war materiel.

On 3 June a group of bandits who secretly crossed the border into the area northeast of Sre Noy [Siem Reap-Oddar Meanchey Province] in an attempt to loot the people's property was surrounded by a small contingent of the 286th division working in cooperation with Vietnamese army volunteers. We killed 20 bandits on the spot and seized 15 assorted guns and some ammunition. We also nabbed seven bandits.

PEOPLE'S REPUBLIC OF KAMPUCHEA

BOU THANG VISITS UNITS

BK300520 Phnom Penh Domestic Service in Cambodian 1200 GMT 28 Jun 85

[Text] On the occasion of the 34th anniversary of the founding of the KPRAF and the army-people solidarity day, a delegation from the Defense Ministry led by Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister, visited cadres, army units, and units of the Vietnamese volunteer army in Baray District, Kompong Thom Province, Zone 4 in Siem Reap-Oddar Meanchey Province, Psok District, the Zone 4 School, the provincial training school, the A Division [Kang Hol Thom], and a number of communes. The delegation also took part in the opening of the meeting to sum up achievements during the 1984-1985 dry season of the 479 Front of the Vietnamese volunteer army.

Everywhere the delegation went, it was briefed by local authorities--chairmen and vice chairmen of party committees and chiefs of units of the Vietnamese volunteer army--on the results in the fight against enemies, the building and strengthening of [word indistinct], the movement to win back misled persons, and on shortcomings of the work. In each province, district, commune, and unit, the comrade minister called on and gave advice to everyone and voiced congratulations for all the results achieved by local cadres, combatants, and people. He called on various units to strive further to defend and build real revolutionary forces, assist and love the people, and constantly strengthen and expand internal unity and international solidarity.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

17-23 JUNE AGRICULTURAL REPORT

BK241015 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 17-23 June:

Siem Reap-Oddar Meanchey Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 30 June reports that by early June, peasants in Siem Reap-Oddar Meanchey Province had retilled 14,200 hectares of land with draft animals and tractors; sowed over 2,000 hectares of rice; and broadcast and transplanted over 8,100 hectares of rice, including 2,900 hectares of floating rice and over 3,400 hectares of slash-and-burn rice. Phnom Penh SPK in French at 1215 GMT on 17 June states that peasants in this province plan to grow 164,000 hectares of rice this rainy season. They have also planted over 2,000 hectares of subsidiary crops. Phnom Penh SPK in French at 1202 GMT on 20 June reveals that up to the beginning of June, peasants in Banteay Srei District had planted 1,400 hectares of slash-and-burn rice, sowed 250 hectares, and transplanted 90 hectares of rice. They had also grown over 260 hectares of subsidiary crops. Phnom Penh SPK in French at 1148 GMT on 21 June notes that during the past fishing season, fishermen in Siem Reap-Oddar Meanchey Province caught 1,400 metric tons of fish, from which they made 50 metric tons of dried fish and many metric tons of smoked and fermented fish. The same SPK cast reports that up to now, peasants in Puok District have planted 670 hectares of rice and 300 hectares of subsidiary crops.

Kompong Chhnang Province: Phnom Penh radio at 0430 GMT on 21 June states that from 2 to 12 June, the trade service of Kompong Chhnang Province bought more than 1,450 metric tons of paddy, over 200 metric tons of beans, over 140 metric tons of dried fish, and over 20 metric tons of palm sugar from the people in the province. The radio at 1300 GMT on 23 June discloses that by early June, peasants in Kompong Chhnang Province had broadcast more than 4,500 hectares of rice, or 86 percent of plan, and planted more than 215 hectares of slash-and-burn rice, more than 1,540 hectares of subsidiary crops, and more than 190 hectares of industrial crops.

Kampot Province: Phnom Penh SPK in English at 0455 GMT on 17 June states that by early this month, peasants in Kampot Province sold the state 8,900 metric tons of surplus rice or 89 percent of the plan. Phnom Penh SPK in French at 1215 GMT on 17 June reports that during the first 5 months of this year, fishermen in Kampot Province caught over 1,670 metric tons of fish, from which

they made more than 112 metric tons of dried fish. Phnom Penh SPK in English at 1104 GMT on 18 June discloses that by the end of May peasants in Kampot Province had plowed 24,390 hectares of land, raised rice seedlings on 9,690 hectares, and put 7,590 hectares under rice by direct sowing and transplanting. They had also planted 1,428 hectares of corn, 600 hectares of cassava, 670 hectares of green beans, 300 hectares of peanuts, 320 hectares of sugar cane, 180 hectares of tobacco, and hundreds of hectares of pepper. Phnom Penh SPK in French at 1109 GMT on 23 June reveals that by the end of May, peasants in Kompong Trach District, Kampot Province, had tilled more than 6,700 hectares of land, sowed over 1,900 hectares, and transplanted more than 2,000 hectares of rice.

Pursat Province: Phnom Penh SPK in English at 0455 GMT on 17 June reports that by the end of May, peasants in Pursat Province had sold 7,700 metric tons of their surplus rice to the state. According to SPK English at 1104 GMT on 18 June, by mid-May peasants in Pursat Province had plowed 6,500 hectares of land, put 2,400 hectares under rice, and raised rice sprouts on 200 hectares. Meanwhile, the provincial agricultural service provided that peasants with 4880 metric tons of different rice varieties, 820 metric tons of chemical fertilizer, 133 pumps, 10,000 liters of fuel, and a quantity of farm tools. Phnom Penh SPK in French at 1202 GMT on 20 June states that by the end of May, peasants in Bakan District, Pursat Province, had plowed more than 3,300 hectares of land. Phnom Penh SPK in English at 0431 GMT on 23 June discloses that by the end of May, peasants in Bakan District, Pursat Province, had plowed 3,300 hectares of land, put 1,500 hectares under rice by direct sowing, and raised rice seedlings on 200 hectares. Phnom Penh radio at 0430 GMT on 23 June reports that early this rainy season, peasants in Krakor District planted many hectares of subsidiary crops and produced some natural fertilizers. The local agriculture service has provided 80 metric tons of chemical fertilizers, 100 liters of insecticides, 4 motor pumps, and 1,500 liters of gasoline to peasants.

Takeo Province: Phnom Penh SPK in English at 1110 GMT on 22 June reports that by 15 June, peasants in Takeo Province have put 19,000 hectares under rice, including 13,750 under floating paddy. They have also grown 1,230 hectares of vegetables, 12,000 hectares of cassava and sweet potatoes, 1,060 hectares of beans; 390 hectares of corn; and 370 hectares of peanuts, sesame, and sugar cane.

Battambang Province: Phnom Penh SPK in French at 1201 GMT on 22 June states that by mid-June, peasants in Ratanamondol District, Battambang Province, had plowed more than 1,350 hectares of land and planted more than 570 hectares of rice and over 250 hectares of subsidiary crops.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

24-30 JUNE AGRICULTURAL REPORT

BK011535 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 24-30 June:

Kompong Cham Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 26 June reports that so far 22,000 hectares of rice have been planted in Kompong Cham Province.

Svay Rieng Province: Phnom Penh SPK in English at 1104 GMT on 25 June states that by mid-June peasants in Svay Rieng Province had turned up 28,300 hectares of fields, including 6,400 by means of tractors. They had also raised rice sprouts on 3,700 hectares. Meanwhile, 3,800 hectares have been put under paddy by transplanting, an increase of 2,500 hectares over the same period last year. Leading was Svay Rieng District, which transplanted seedlings on 1,600 hectares. This year, the peasants are expected to cover 144,600 hectares with rice, including 1,600 hectares of the high-yielding IR-36 variety. To achieve better output, the provincial agricultural service called on the solidarity production groups to apply intensive farming, particularly by using the 30,000 metric tons of manure they had gathered. Last year, the province only covered 82,000 hectares with paddy due to the severe drought and flood. Phnom Penh SPK in English at 1113 GMT on 29 June says that peasants in Svay Rieng Province have sold 1,000 metric tons of the surplus paddy to the provincial trade service. Phnom Penh SPK in French at 0403 GMT on 30 June says that up to mid-June, more than 31,000 head of cattle in Svay Rieng Province had been vaccinated against various diseases. Phnom Penh SPK in English at 1101 GMT on 30 June reveals that solidarity production groups in Kompong Rou District, Svay Rieng Province, had, by mid-June, put 900 hectares under rice by direct sowing; raised rice seedlings on 1,200 hectares; and plowed 7,000 hectares of land, including 2,600 hectares by means of tractors. They plan to put 22,000 hectares under rice this rainy season. To ensure production, the district agriculture service provided them with 100 metric tons of chemical fertilizer and prepared 32 pumps to face drought in time. During the last monsoon, the district grew only 10,800 hectares of rice or 50 percent of the plan because of drought. Phnom Penh Radio at 1300 GMT on 27 June reports that by mid-June, peasants in Rumduol District, Svay Rieng Province, tilled more than 11,700 hectares of land, sowed more than 2,700 hectares of various types of rice, transplanted almost 150 hectares of early rice, and planted more than 50 hectares of subsidiary and industrial crops. More than

12,000 metric tons of natural fertilizer were also produced. The provincial agricultural service provided more than 77,320 metric tons of chemical fertilizer to peasants.

Kampot Province: Phnom Penh Radio 1300 GMT on 27 June reports that by mid-June, more than 1,200 metric tons of paddy were bought from peasants in Angkor they District, Kampot Province. Phnom Penh SPK in English at 1103 GMT on 27 June states that by early June solidarity production groups in Kampot District, Kampot Province, had plowed 2,400 hectares of land, raised rice seedlings on 1,000 hectares, and put 580 hectares under rice. This monsoon, they plan to grow 16,000 hectares of rice. The peasants had also covered 400 hectares with industrial and subsidiary food crops. For irrigation, they dredged a 1,000-meter canal capable of watering of 400 hectares of land and strengthened several dams. The agricultural service of the district provided the peasants with 25 metric tons of chemical fertilizer, 470 liters of insecticide, and 7 pumps for this rainy season. The same SPK English cast says that peasants in Banteay Meas District, Kampot Province, had by the beginning of June put 3,160 hectares under short-term rice, or 94 percent of the plan. Meanwhile, the peasants raised rice seedlings on 2,850 hectares or 100 percent of the plan and plowed another 6,200 hectares. They also covered 550 hectares with corn and 310 hectares with cassava, sweet potatoes, green beans, tobacco, and peanuts. To increase production, they used 7,900 metric tons of organic fertilizer, dredged a canal with a total length of 1,400 meters, repaired two sluices, and strengthened hundreds of meters of dams. The area earmarked for rice this monsoon is 22,800 hectares. The district trade service provided the peasants with 96 metric tons of chemical fertilizer and 400 liters of insecticide.

Kompong Chhnang Province: Phnom Penh Radio at 1300 GMT on 29 June states that by the end of May, veterinary groups in Kompong Chhnana Province had vaccinated 720 hogs against various diseases. Phnom Penh SPK in English at 1103 GMT on 27 June reports that peasants in Kompong Chhnana Province had by mid-June put 4,700 hectares under rice by direct sowing and transplanting, raised rice seedlings on 2,200 hectares, and plowed 8,500 hectares. Besides rice, they were growing 1,700 hectares of subsidiary and industrial crops.

BK011537 [Editorial Report] Siem Reap-Oddar Meanchey Province: Phnom Penh SPK in French at 1131 GMT on 25 June states that by the beginning of June, peasants in Siem Reap-Oddar Meanchey Province had sold 18,650 metric tons of paddy and nearly 800 metric tons of other agricultural products to the state. Phnom Penh Radio at 0430 GMT on 30 June reports that by early June, peasants in Banteay Srei District, Siem Reap-Oddar Meanchey Province, had planted over 1,400 hectares of slash-and-burn rice and transplanted 90 hectares of late rice.

Pursat Province: Phnom Penh SPK in French at 1209 GMT on 24 June states that during the past fishing season, fishermen in Pursat Province caught 5,400 metric tons of fish, from which they made 1,200 metric tons of dried fish, 30 metric tons of smoked fish, and 60 metric tons of fermented fish.

Takeo Province: Phnom Penh SPK in French at 1103 GMT on 27 June reveals that by mid-June, peasants in Traeang District, Takeo Province, had tilled 5,700 hectares of land, raised rice seedlings on 1,550 hectares, and covered 1,100 hectares with short-term rice. They also put over 200 hectares under subsidiary and industrial crops.

Stung Treng Province: Phnom Penh SPK in French at 1151 GMT on 29 June discloses that peasants in Thalabarivat District, Stung Treng Province, plan to grow 1,850 hectares of rice during this principal rice season.

CSO: 4212/86

PEOPLE'S REPUBLIC OF KAMPUCHEA

GREETINGS TO MOZAMBIQUE LEADERS ON NATIONAL DAY

BK290904 Phnom Penh SPK in English 1132 GMT 28 Jun 85

[Text] Phnom Penh, 28 Jun (SPK)—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, has sent a message of greetings to Samora Machel, president of the Mozambique Liberation Front (Frelimo) and of the People's Republic of Mozambique, on the 10th independence day of the republic.

After expressing the joy at the successes recorded by the heroic people of Mozambique over the past years under the perspicacious leadership of the Frelimo party, the Kampuchean leader wished the brotherly Mozambican people new, greater successes in the maintenance of national independence against imperialism, neocolonialism, racism and apartheid, for peace, democracy and social progress in Africa and in the world as a whole.

"I am convinced that the friendship, militant solidarity and cooperation between our two countries and peoples will further develop and consolidate," President Heng Samrin concluded.

On the same occasion, Foreign Minister Hun Sen has extended warmest greetings to his Mozambican counterpart, Joaquin Alberto Chissand.

CSO: 4200/1185

5 August 1985

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

RED CROSS AID DISTRIBUTION--Kompong Thom Red Cross unit has recently distributed more than 8 metric tons of rice and other necessities to people in Kompong Svay District. [Summary] [Phnom Penh Domestic Service in Cambodian 0430 GMT 23 Jun 85 BK]

WEEK'S KPRAF BATTLE SUCCESSES--During the past week, in their operations launched on all battlefields throughout the country, our armed forces in close cooperation with the Vietnamese army volunteers put out of action 289 enemies of all stripes. This included 61 killed and 50 wounded. Moreover, 178 enemy soldiers repented and returned to the fold. They brought along some weapons. We seized 134 assorted weapons, 33 B-40 rockets, 2 field radios, and a large quantity of wat materiel. [Excerpt] ["Weekly Roundup of Salient Events" feature] [Phnom Penh Domestic Service in Cambodian 1200 GMT 27 Jun 85 BK]

REPORT ON INDOCHINESE COOPERATION MEETING--The fifth conference of the economic and cultural cooperation commissions of Cambodia, Vietnam, and Laos, held in Ho Chi Minh City between 24 and 25 June, was successfully concluded. The three committees listened to reports on the implementation of agreements and cooperation among the three countries since the fourth conference. They also discussed tasks to be implemented. The delegations noted that during the first 6 months of 1985, the three countries have increased their efforts and scored great successes in implementing agreements and in setting up cooperation programs and plans for the period 1986-1990. [Text] [Phnom Penh Domestic Service in Cambodian 0430 GMT 1 Jul 85 BK]

CLASHES IN BATTAMBANG REPORTED--The KPRAF in Battambang Province has always been well prepared in attacking the enemy. Through experience gained during past dry season offensives, they have carried out more successful sweeping operations against the Pol Pot remnants. Recently, an enemy group that survived our sweeping operations along the border sneaked into our territory and set up a temporary hideout in an area 28 km northeast of Mounng District [Battambang Province] in an attempt to launch sabotage activities and rob our people. However, they were surrounded in a timely manner and crushed by a group of our vigilant armed forces in Battambang Province in close cooperation with the district's forces. After fighting for a while, our forces killed 13 of the enemy. The survivors fled into the forest. We seized a large quantity of weapons and ammunition. [Text] [Phnom Penh Domestic Service in Cambodian 1200 GMT 2 Jul 85 BK]

JPRS-SEA-85-119
5 August 1985

JAPANESE COMMUNIST PARTY DELEGATION--Phnom Penh, 20 Jun (SPK)--A delegation of the Japanese Communist Party (JCP) led by Yoshitomo Kobayashi, member of the Commission for External Relations of the Party Central Committee, arrived in Phnom Penh Tuesday for an official visit to Kampuchea. Present to welcome the delegation at Pochentong Airport were Prach Sun, vice president of the Commission for External Relations of the People's Revolutionary Party of Kampuchea Central Committee and other Kampuchean officials. [Text] [Phnom Penh SPK in English 1059 GMT 20 Jun 85 BK]

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